

# **EXHIBIT I**

N. KOCH

Page 1

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY  
Civil Action No.  
97-cv-3496 (DRD) (MAS)

WALSH SECURITIES, INC., :

Plaintiff, :

vs. :

DEPOSITION OF:  
NANCY KOCH

CRISTO PROPERTY MANAGEMENT,  
LTD., a/k/a G.J.L. LIMITED;  
OAKWOOD PROPERTIES, INC.;  
NATIONAL HOME FUNDING, INC.;  
CAPITAL ASSETS PROPERTY  
MANAGEMENT & INVESTMENT CO.,  
INC.; CAPITAL ASSETS PROPERTY  
MANAGEMENT, L.L.C.; WILLIAM  
KANE; GARY GRIESER; ROBERT  
SKOWRENSKI, II; RICHARD CALANNI;  
RICHARD DiBENEDETTO; JAMES R.  
BROWN; THOMAS BRODO; ROLAND  
PIERSON; STANLEY YACKER, ESQ.;  
MICHAEL ALFIERI, ESQ.; RICHARD  
PEPSNY, ESQ.; ANTHONY M.  
CICALESE, ESQ.; LAWRENCE CUZZI;  
ANTHONY D'APOLITO; DAP CONSULTING,  
INC.; COMMONWEALTH LAND TITLE  
INSURANCE CO.; NATIONS TITLE  
INSURANCE OF NEW YORK, INC.;  
FIDELITY NATIONAL TITLE  
INSURANCE CO. OF NEW YORK;  
Coastal Title Agency; DONNA  
PEPSNY; WEICHERT REALTORS; and  
VECCHIO REALTY, INC., D/B/A  
MURPHY REALTY BETTER HOMES  
And GARDENS :

Defendants. :

- - - - -

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 2

Page 4

TRANSCRIPT of the stenographic notes of the proceedings in the above-entitled matter, as taken by and before JANET BAILYN, a Certified Shorthand Reporter and Notary Public of the State of New Jersey, held at the office of STONE & MAGNANINI, 150 John F. Kennedy Parkway, Short Hills, New Jersey, on November 11, 2010, commencing at 10:10 in the forenoon.

## INDEX

WITNESS DIRECT CROSS REDIRECT RECROSS

NANCY KOCH  
 BY MR. MAGNANINI 5 85  
 BY MR. McGOWAN 81  
 BY MR. KOTT 84

## EXHIBITS

NUMBER	DESCRIPTION	PAGE
Koch-1	Claims Manual	22
Koch-2	Letter dated September 29, 2000	33
Koch-3	Legal Bulletin dated November 25, 1998	40
Koch-4	Legal Bulletin dated July 9, 1999	42
Koch-5	Final Judgment	71

Page 3

Page 5

## 1 APPEARANCES:

STONE & MAGNANINI, LLP  
 BY: ROBERT MAGNANINI, ESQ.  
 150 John F. Kennedy Parkway  
 Short Hills, New Jersey 07078  
 Attorneys for Plaintiff  
 McCARTER & ENGLISH, LLP  
 BY: DAVID R. KOTT, ESQ.  
 Four Gateway Center  
 100 Mulberry Street  
 Newark, New Jersey 07102-4056  
 Attorneys for Defendant  
 Commonwealth Land Title Insurance Co.  
 FOX ROTHSCHILD, LLP  
 BY: EDWARD J. HAYES, ESQ.  
 2000 Market Street  
 Philadelphia, Pennsylvania 19103-3222  
 Attorneys for Defendants Nations Title  
 Insurance of New York, Inc. and Fidelity  
 National Title Insurance Co. of New York  
 METHFESSEL & WERBEL  
 BY: MARTIN R. McGOWAN, ESQ.  
 3 Ethel Road  
 Box 3012  
 Edison, New Jersey 08818  
 Attorneys for Defendant  
 Coastal Title Agency

NANCY KOCH, with offices at Old Republic National Title Insurance Company, 119 Cherry Hill Road, Parsippany, New Jersey, having been duly sworn by the Notary, testified as follows:

## DIRECT EXAMINATION BY MR. MAGNANINI:

Q. Good morning, Miss Koch.

A. Good morning.

Q. Can I call you Nancy?

A. Nancy is fine.

Q. Thank you, Nancy, for coming today. As I mentioned on the phone Stone & Magnanini, which is myself and Mr. Mee here, represent Walsh Securities Inc., and we've asked you to appear simply as a fact witness.

I understand that you had some involvement in the events that are part of our complaint either prior to or after the fraud was uncovered, and as I said earlier Walsh -- just for the record, Walsh Securities, Inc. has declared or filed for Chapter 11 bankruptcy protection. We are actually not retained, but I understand we're going to be retained, but since we had scheduled your deposition so long ago I thought we would just go ahead with it.

Let me just ask you: Have you ever been

2 (Pages 2 to 5)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

<p style="text-align: right;">Page 6</p> <p>1   deposed before?</p> <p>2    A.   I have.</p> <p>3    Q.   How many times?</p> <p>4    A.   A lot.</p> <p>5    Q.   Okay. And I'll just give you the basic</p> <p>6   rules then. It's your deposition. Any time you want</p> <p>7   to take a break feel free to do so. I would ask you</p> <p>8   not to take a break while a question is pending. Any</p> <p>9   time -- I assume you're represented by Mr. Kott?</p> <p>10   A.   Yes.</p> <p>11   Q.   Any time you want to consult with your</p> <p>12   counsel just let me know and we will stop, and then</p> <p>13   as long as you answer the question I'll assume you</p> <p>14   have understood it. As this wears on the questions</p> <p>15   may become less intelligible. So, please, if you</p> <p>16   don't understand one let me know and I'll rephrase</p> <p>17   it. And then a couple of documents you may or may</p> <p>18   not have seen but we will just show you. That's kind</p> <p>19   of the basics of it.</p> <p>20   A.   Okay.</p> <p>21   Q.   And then could you tell me: Where do</p> <p>22   you work now?</p> <p>23   A.   Old Republic National Title Insurance</p> <p>24   Company.</p> <p>25   Q.   And when did you leave Commonwealth Land</p>	<p style="text-align: right;">Page 8</p> <p>1    Q.   Where did you go to college?</p> <p>2    A.   Douglas College, Rutgers University.</p> <p>3    Q.   Where did you work between 1984 and</p> <p>4   1987?</p> <p>5    A.   Dilts, D-i-l-t-s, Delancy &amp; Welsh in</p> <p>6   Somerville, which is a small firm.</p> <p>7    Q.   What did you do there?</p> <p>8    A.   A little of everything. I was an</p> <p>9   associate.</p> <p>10   Q.   Okay. General practice. And then where</p> <p>11   did you go after Dilts?</p> <p>12   A.   I freelanced for three months, and then</p> <p>13   I came to work for Trans America Title.</p> <p>14   Q.   Okay. And what was the first position</p> <p>15   you held at Trans America?</p> <p>16   A.   Assistant state counsel, I think.</p> <p>17   Q.   What did that entail? What were your</p> <p>18   responsibilities?</p> <p>19   A.   Providing underwriting support to agents</p> <p>20   handling some claims. Some regulatory work.</p> <p>21   Q.   How long were you an assistant state</p> <p>22   counsel?</p> <p>23   A.   It was years. I don't remember the</p> <p>24   exact timing.</p> <p>25   Q.   So when you began working for</p>
<p style="text-align: right;">Page 7</p> <p>1   Title Insurance?</p> <p>2    A.   January of 2009.</p> <p>3    Q.   When did you start working for</p> <p>4   Commonwealth?</p> <p>5    A.   It's a tortured story.</p> <p>6    Q.   As is this case.</p> <p>7    A.   Technically Commonwealth -- would have</p> <p>8   been when Commonwealth acquired Trans America Title</p> <p>9   Insurance Company who was my employer at that time</p> <p>10   and that was maybe 1990?</p> <p>11   Q.   Okay.</p> <p>12   A.   So I started in the title industry in</p> <p>13   1987.</p> <p>14   Q.   Working for Trans America?</p> <p>15   A.   Started with Trans America Title</p> <p>16   Insurance Company.</p> <p>17   Q.   Where was your office located?</p> <p>18   A.   Parsippany, New Jersey.</p> <p>19   Q.   And you're an attorney?</p> <p>20   A.   I am.</p> <p>21   Q.   When did you graduate law school?</p> <p>22   A.   1984.</p> <p>23   Q.   I guess -- where did you go to law</p> <p>24   school?</p> <p>25   A.   Rutgers Camden.</p>	<p style="text-align: right;">Page 9</p> <p>1   Commonwealth that was still your title?</p> <p>2    A.   No. I was -- by then I was probably</p> <p>3   division counsel. Again, I don't remember the exact</p> <p>4   timing.</p> <p>5    Q.   What does a division counsel do?</p> <p>6    A.   I had responsibility for underwriting</p> <p>7   for Maine to Virginia, not including New York.</p> <p>8    Q.   And what did you do -- what did being</p> <p>9   responsible for that area consist of?</p> <p>10   A.   Provided underwriting support to the</p> <p>11   agents in those states, did some claims, work mostly</p> <p>12   New Jersey, some regulatory work in all those states.</p> <p>13   Q.   And what position did you hold after</p> <p>14   division counsel?</p> <p>15   A.   I went back to state counsel, and then</p> <p>16   in I think '98 I became agency manager and</p> <p>17   underwriting counsel. I said '98. Correct?</p> <p>18   Q.   Yes.</p> <p>19   A.   Which is the position I held until 2009.</p> <p>20   Q.   When you went back to being a state</p> <p>21   counsel, was that for a specific state?</p> <p>22   A.   New Jersey.</p> <p>23   Q.   For New Jersey. Okay. And did you have</p> <p>24   the same responsibilities, just --</p> <p>25   A.   Yes.</p>

3 (Pages 6 to 9)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 10	Page 12
<p>1 Q. -- in a more limited geographic scope?</p> <p>2 A. Yes.</p> <p>3 Q. And at some point when you were the</p> <p>4 agency manager and underwriting counsel, were you</p> <p>5 involved with an investigation into claims made by</p> <p>6 Walsh Securities?</p> <p>7 A. Yes.</p> <p>8 Q. And then let me just run through the</p> <p>9 list of names and I'll see if you have any</p> <p>10 familiarity with them.</p> <p>11 Are you familiar with a fellow named</p> <p>12 William Kane?</p> <p>13 A. Only through the Walsh matter.</p> <p>14 Q. Did you ever interview him or speak to</p> <p>15 him?</p> <p>16 A. Never.</p> <p>17 Q. How about Gary Grieser?</p> <p>18 A. Through this matter.</p> <p>19 Q. Did you ever speak to him or interview</p> <p>20 him?</p> <p>21 A. No.</p> <p>22 Q. Larry Cuzzi?</p> <p>23 A. That name is not familiar to me.</p> <p>24 Q. How about -- there were five appraisers</p> <p>25 Walsh alleges were involved in the fraud. One was</p>	<p>1 A. I don't recall speaking to either of</p> <p>2 them, no.</p> <p>3 Q. Did you speak to -- there were four</p> <p>4 attorneys that Walsh Securities has alleged were</p> <p>5 involved. One was Stanley Yacker.</p> <p>6 A. I don't believe I spoke to Mr. Yacker.</p> <p>7 I know his name.</p> <p>8 Q. And then another one was Anthony</p> <p>9 Cicalese.</p> <p>10 A. Same, answer, I don't believe I spoke to</p> <p>11 him.</p> <p>12 Q. And then the other -- another one was</p> <p>13 Michael Alfieri.</p> <p>14 A. Yes.</p> <p>15 Q. Have you ever spoken to him?</p> <p>16 A. Not about Walsh.</p> <p>17 Q. And then the other attorney was Richard</p> <p>18 Pepsny.</p> <p>19 A. Yes, same, I never spoke to him but I</p> <p>20 know the name. I don't recall speaking to him.</p> <p>21 Q. There were -- Mr. Kane had a number of</p> <p>22 companies. I don't know if you ever as part of the</p> <p>23 investigation came upon anything related to Cristo</p> <p>24 Properties?</p> <p>25 A. Only through this claim.</p>
Page 11	Page 13
<p>1 named Richard DiBenedetto.</p> <p>2 A. Only from newspaper reports.</p> <p>3 Q. So you never spoke to him or interviewed</p> <p>4 him?</p> <p>5 A. No.</p> <p>6 Q. Richard Calanni?</p> <p>7 A. It doesn't sound familiar to me.</p> <p>8 Q. James Brown?</p> <p>9 A. That does not sound familiar to me.</p> <p>10 Q. Roland Pierson.</p> <p>11 A. No.</p> <p>12 Q. Or Thomas Brodo?</p> <p>13 A. Doesn't sound familiar to me.</p> <p>14 Q. Did you ever speak to Anthony D'Apolito</p> <p>15 who was a former Walsh Securities employee?</p> <p>16 A. Not that I can recall, no.</p> <p>17 Q. How about Kelly O'Neill?</p> <p>18 A. Not that I recall, no.</p> <p>19 Q. Did you meet or speak with anyone from</p> <p>20 Walsh Securities during the investigation?</p> <p>21 A. Not that I recall.</p> <p>22 Q. There were also two realtors who were</p> <p>23 involved in originally getting purchasers to act as</p> <p>24 what we've alleged were straw buyers and they were</p> <p>25 Irene DeFeo and Donna Pepsny.</p>	<p>1 Q. And then G.J.L. Limited.</p> <p>2 A. That does not sound familiar.</p> <p>3 Q. Oakwood Properties.</p> <p>4 A. I don't remember that name.</p> <p>5 Q. DEK Homes.</p> <p>6 A. I don't remember that name.</p> <p>7 Q. And then there was -- early on in the</p> <p>8 acquisition of the properties there was a company</p> <p>9 called D&amp;Sons.</p> <p>10 A. I don't remember that.</p> <p>11 Q. And then two people -- too other names</p> <p>12 you may have come upon were William Epp or Donozo?</p> <p>13 A. Doesn't ring a bell.</p> <p>14 MR. MAGNANINI: Off the record.</p> <p>15 (A discussion takes place off the</p> <p>16 record.</p> <p>17 Q. And then we previously deposed Mr. Agel,</p> <p>18 and I assume you're familiar with him?</p> <p>19 A. Yes.</p> <p>20 Q. And when did you first meet Mr. Agel?</p> <p>21 A. I don't remember.</p> <p>22 Q. He was an agent for Commonwealth among</p> <p>23 other title insurance companies I think since 1989.</p> <p>24 Did you have any involvement with Mr. Agel's becoming</p> <p>25 an agent of Commonwealth?</p>

4 (Pages 10 to 13)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 14	Page 16
<p>1 A. No, not that I recall.</p> <p>2 Q. And then Mr. Agel had testified that</p> <p>3 during the 1996, '97, that's really the time period</p> <p>4 we're initially concerned with, that Mr. Kane's</p> <p>5 companies were acquiring properties and then selling</p> <p>6 them to buyers and that was -- the transaction, the</p> <p>7 second transaction, was financed by Walsh Securities.</p> <p>8 Mr. Agel said that he would call you actually</p> <p>9 regularly to discuss different things with the -- I</p> <p>10 guess problems with the properties and getting clear</p> <p>11 title to them. Was that part of your job in 1996,</p> <p>12 '97 to answer questions from agents?</p> <p>13 MR. KOTT: I object to the form.</p> <p>14 Q. It's a long-winded preface. I</p> <p>15 apologize.</p> <p>16 A. You're asking me was it my</p> <p>17 responsibility to answer underwriting questions for</p> <p>18 our agents in my time frame?</p> <p>19 Q. Yes.</p> <p>20 A. That was part of my job, yes.</p> <p>21 Q. How was Commonwealth organized in 1996,</p> <p>22 '97? Were there other people who dealt with</p> <p>23 underwriting questions from agents?</p> <p>24 A. Yes.</p> <p>25 Q. And what department were they in?</p>	<p>1 occasionally.</p> <p>2 Q. What kind of underwriting support did</p> <p>3 you provide?</p> <p>4 A. I don't have a specific recollection. I</p> <p>5 can give you an idea of what generally agents ask</p> <p>6 about.</p> <p>7 Q. Sure.</p> <p>8 A. Whether we can pass on a judgment,</p> <p>9 whether we can give affirmative insurance for an</p> <p>10 easement, how to deal with an encroachment. I mean,</p> <p>11 there are hundreds of thousands of issues.</p> <p>12 Q. That can come up in a transfer of</p> <p>13 property?</p> <p>14 A. Yes.</p> <p>15 MR. KOTT: Off the record.</p> <p>16 (A discussion takes place off the</p> <p>17 record).</p> <p>18 Q. How did you first learn about the claims</p> <p>19 of Walsh Securities?</p> <p>20 A. I don't remember.</p> <p>21 Q. And did Commonwealth conduct an</p> <p>22 investigation into those claims?</p> <p>23 A. Yes.</p> <p>24 Q. And who was involved with the</p> <p>25 investigation?</p>
Page 15	Page 17
<p>1 A. Underwriting.</p> <p>2 Q. Same. Okay. And then were they</p> <p>3 attorneys too?</p> <p>4 A. Yes.</p> <p>5 Q. And who were they?</p> <p>6 A. 1996 and seven. I don't know if Kevin</p> <p>7 Cairns was there yet or not. I don't remember what</p> <p>8 year he was hired. I think Donna Sullivan was still</p> <p>9 there or was there. I don't remember anyone else.</p> <p>10 Q. Okay. And I may have some documents</p> <p>11 that may help refresh your recollection I'll get to</p> <p>12 in a bit.</p> <p>13 Do you recall any of the substance -- I</p> <p>14 am sure -- let me ask you: Do you recall any of the</p> <p>15 conversations with Mr. Agel about any of the</p> <p>16 properties -- let me strike that.</p> <p>17 Do you recall the substance of any of</p> <p>18 the conversations you had with Mr. Agel concerning</p> <p>19 his underwriting questions?</p> <p>20 A. Not specifically.</p> <p>21 Q. Generally?</p> <p>22 A. I know Bob called me for underwriting</p> <p>23 support occasionally.</p> <p>24 MR. McGOWAN: I'm sorry?</p> <p>25 A. Bob called for underwriting support</p>	<p>1 A. Me, whoever was at the claims department</p> <p>2 at the time, maybe Ginger Moran. I'm sure there were</p> <p>3 others. I don't remember.</p> <p>4 Q. How do you or how does or how did</p> <p>5 Commonwealth at that time period investigate claims?</p> <p>6 A. I was not claims counsel at the time.</p> <p>7 So I can tell you what I recall about this one, but I</p> <p>8 didn't often get involved in claims investigation at</p> <p>9 this point in time.</p> <p>10 Q. Okay. What do you recall about this</p> <p>11 investigation?</p> <p>12 A. I know that I went to Bob's office.</p> <p>13 Q. Bob Agel?</p> <p>14 A. Bob Agel's office.</p> <p>15 Q. We have a lot of Bobs in this case.</p> <p>16 A. Bob Agel's office to review files, to</p> <p>17 look at the files that I believe had been segregated</p> <p>18 for us, and the reason I was chosen was partly</p> <p>19 because I was the agency manager and partly because I</p> <p>20 was a lawyer and partly because I was the only one</p> <p>21 available on short notice.</p> <p>22 Q. I know how that works. And what did</p> <p>23 reviewing the files involve?</p> <p>24 A. I remember pulling random files out to</p> <p>25 try to get a handle on what was going on, what the</p>

5 (Pages 14 to 17)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59



N. KOCH

<p style="text-align: right;">Page 18</p> <p>1 files looked like, what documentation was in them,  2 trying to understand how the transactions were going  3 down. I believe I spoke to Bob and then we took the  4 files as I recall.  5 Q. I believe Mr. Agel said that he had made  6 copies of them but I think you took the original ones  7 he said. What happened after you take the files,  8 Nancy, or in this case when you took the files?  9 A. I don't remember specifically. They  10 would have gone to the claims department?  11 Q. And what involvement did you have in the  12 investigation once the files got to the claims  13 department?  14 A. Only answering questions that the claims  15 department might have about what I might know about  16 the matter.  17 Q. Okay.  18 A. Or seeking information for them.  19 Q. Did you prepare any written summary of  20 your findings?  21 A. I don't remember.  22 Q. Okay. Which is my next question. Do  23 you have any documents related to your investigation?  24 A. I do not.  25 Q. Okay.</p>	<p style="text-align: right;">Page 20</p> <p>1 Q. Do you recall what you discussed or what  2 he told you?  3 A. I don't.  4 Q. Did you speak to anyone else at Coastal  5 Title?  6 A. Probably.  7 Q. Did you make any notes or memos of that?  8 A. Not that I recall.  9 Q. And then -- off the record.  10 (A discussion takes place off the  11 record).  12 Q. So after -- you went down and you  13 reviewed the files in Coastal's offices in Freehold?  14 A. Yes.  15 Q. And then the files were transferred to  16 Commonwealth. Where were your offices at that point?  17 A. Parsippany.  18 Q. Still in Parsippany. Okay. And then  19 how long did the investigation continue while at -- I  20 mean how long -- let me just ask: How long did  21 Commonwealth's investigation continue into the claims  22 of Walsh Securities?  23 A. I don't know.  24 Q. When was the last time you had any  25 involvement in the investigation?</p>
<p style="text-align: right;">Page 19</p> <p>1 MR. MAGNANINI: Off the record.  2 (A discussion takes place off the  3 record).  4 Q. What was your conclusion from your  5 participation in the investigation?  6 A. My conclusion was I didn't like the way  7 the files looked. I did not have enough time to  8 really -- you know, in that day to really get my mind  9 completely wrapped around it, but I knew that it  10 didn't -- the files did not look good.  11 Q. Why did they not look good to you?  12 A. Well, it appeared that these were a  13 series of flip transactions, and at that point in  14 time flips were not something we were insuring --  15 well, we probably did a few but we were not actively  16 insuring them.  17 Q. And did it appear that all the files you  18 looked at were flip transactions?  19 A. The ones I looked at.  20 Q. Was there anything else that concerned  21 you about the paper in the files?  22 A. I don't remember.  23 Q. And you said you spoke to Mr. Agel about  24 this?  25 A. I think I did.</p>	<p style="text-align: right;">Page 21</p> <p>1 A. It's years ago. I don't remember  2 exactly when and it would be peripheral.  3 Q. Okay. By that you mean just answering  4 questions as they arose?  5 A. Exactly.  6 Q. And then who handled the investigation  7 by Commonwealth?  8 A. Whichever claims counsel was assigned to  9 it.  10 Q. Did the investigation end at some point?  11 A. I assume.  12 Q. Why do investigations -- or how did it  13 end or why do they end normally? That's an  14 objectionable question.  15 A. How they end? I would say that a  16 conclusion is made as to liability or what we're  17 going to do, what the company is going to do about  18 the claim. That's typically how they end. There's  19 no more information to obtain.  20 Q. Do you know what the conclusion of the  21 investigation into the Walsh Securities claims were?  22 A. I'm trying to remember whether I know  23 this or not. I don't know what the official  24 conclusion was. I don't recall that. I probably did  25 know but I don't remember it now.</p>

6 (Pages 18 to 21)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 22

1 Q. So you recall that there was some  
2 official conclusion to the investigation?  
3 A. I'm sure they took a position, I'm sure  
4 the company took a position, yes.  
5 Q. And what happens when the company takes  
6 an official position? Is the insured notified?  
7 A. Again, I'm not claims counsel, but I  
8 would expect that, yes.  
9 Q. I am just going to show you a  
10 Commonwealth claims manual, Nancy, which was produced  
11 by Mr. Kott's office.  
12 (Koch-1, Claims Manual, is received and  
13 marked for identification.)  
14 Q. Actually let me just ask you this,  
15 Nancy: You said you didn't have any documents  
16 relating to the investigation. Do you have any  
17 documents relating to the Walsh Securities  
18 litigation?  
19 A. Besides the subpoena?  
20 Q. Right.  
21 A. I have copies of Donna Sullivan and Bob  
22 Agel's deposition transcripts.  
23 Q. Those were provided for you to prepare  
24 for this?  
25 A. By my counsel, yes.

Page 23

1 Q. Did you review any documents to prepare?  
2 A. Couple -- two closing service letters, a  
3 memorandum about not doing business with some of the  
4 players in this transaction and another memo from --  
5 having to do with closing service letters.  
6 Q. The memorandum about not doing business,  
7 was that issued by Fidelity or was there one by  
8 Commonwealth?  
9 A. That was by Commonwealth.  
10 Q. If you can take a look at what we've  
11 marked as Koch Exhibit 1, which is a document -- it's  
12 entitled, "Commonwealth Claims Manual," and you will  
13 see at the bottom lower right a Bates stamp COM  
14 23869, and I believe the last page is COM 24003.  
15 That just means it was produced by Commonwealth's  
16 counsel. I ask you just to take a look at this and  
17 let me know if you have seen this before today.  
18 A. I have.  
19 Q. And was this a copy of the claims manual  
20 that you worked within the -- I guess it's dated  
21 1/97.  
22 A. I was not claims counsel at the time.  
23 So I would have a copy of it as manager, but it was  
24 on my shelf.  
25 Q. As the manager what were your

Page 24

1 responsibilities for dealing with agents?  
2 A. When our rep would bring in a prospect I  
3 would be the ultimate decision-maker as to whether to  
4 sign that agent or not and be involved in the whole  
5 process through that. I was responsible for the  
6 economic progress of the department, managing the  
7 staff, cancellation of agents, terminations,  
8 auditing. I didn't do the auditing.  
9 Q. But you were responsible for it?  
10 A. I was responsible for it getting done.  
11 Q. How big was your department?  
12 A. Not big enough.  
13 Q. Okay.  
14 A. In 1996 and seven I probably had four or  
15 five people on my staff.  
16 Q. To do all the tasks?  
17 A. Yes.  
18 Q. And then if I could ask you a question,  
19 on the first page there, which is Bates stamp COM  
20 23869, it says in the third paragraph: "This manual  
21 is intended for use by Commonwealth Land Title  
22 Insurance Company and the following affiliate  
23 companies," and the fourth one down is entitled,  
24 Commonwealth Land title Insurance Company of New  
25 Jersey. Was there a separate Commonwealth of New

Page 25

1 Jersey?  
2 A. Yes.  
3 Q. And was that a subsidiary of  
4 Commonwealth?  
5 A. Yes.  
6 Q. Do you know why there was a separate one  
7 for New Jersey?  
8 A. Yes.  
9 Q. Why was that?  
10 (A discussion takes place off the  
11 record).  
12 A. In I think it was 1994, but I'm not  
13 positive of that, Commonwealth acquired Reliance, I  
14 think it was, or maybe Commonwealth -- Commonwealth  
15 acquired Continental Title Insurance Company and  
16 Industrial Valley Title Insurance Companies.  
17 Continental Title Insurance Company was a domestic  
18 underwriter meaning that it was formed in New Jersey.  
19 It was a New Jersey underwriter. The company decided  
20 at some point in time that the Continental name did  
21 not indicate the strength of being part of the  
22 Commonwealth family, so we changed the name of  
23 Continental to Commonwealth Land Title Insurance  
24 Company of New Jersey.  
25 Q. Okay. So did you work for that entity

7 (Pages 22 to 25)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59



N. KOCH

<p style="text-align: right;">Page 26</p> <p>1 or actual --</p> <p>2 A. I managed that entity, yes.</p> <p>3 Q. You managed it?</p> <p>4 A. As well as Trans Nation and</p> <p>5 Commonwealth.</p> <p>6 Q. Okay. I just had a couple of questions</p> <p>7 on this. Since the edition date -- how often were</p> <p>8 these published?</p> <p>9 A. I have no idea.</p> <p>10 Q. I believe since this edition date was</p> <p>11 1/97 and Walsh Securities made its claims in July of</p> <p>12 1997 and this is what was produced we thought this</p> <p>13 was the operative claims manual at the time?</p> <p>14 A. I don't know. I assume.</p> <p>15 Q. If you could turn to page what is Bates</p> <p>16 stamped COM 23882, it's actually page ten. It</p> <p>17 says -- of this manual. It says -- it details --</p> <p>18 says: "Subject: Claim Processing." And it says,</p> <p>19 "Major Claims," and the first sentence says, "The</p> <p>20 claims department directly supervises claims</p> <p>21 determined to be major claims."</p> <p>22 Was the Walsh Securities claim a major</p> <p>23 claim?</p> <p>24 A. Yes.</p> <p>25 Q. And why was -- how was it delineated</p>	<p style="text-align: right;">Page 28</p> <p>1 during the conduct of investigations.</p> <p>2 A. I don't know.</p> <p>3 MR. KOTT: Hold on. That's fine.</p> <p>4 A. I don't know.</p> <p>5 Q. And then on -- if you could flip back to</p> <p>6 Exhibit 16 in Koch-1, which is COM 23945. And it's</p> <p>7 entitled Exhibit 16, "Claim Evaluation/File Contents</p> <p>8 Checklist," and I know you weren't the claim counsel</p> <p>9 for the Walsh Securities claim but were these</p> <p>10 evaluations or checklists completed for each claim?</p> <p>11 A. I don't know.</p> <p>12 Q. Did you ever see one completed for Walsh</p> <p>13 Securities?</p> <p>14 A. No, I never saw one, no.</p> <p>15 Q. If one was completed would it have been</p> <p>16 retained?</p> <p>17 A. I assume.</p> <p>18 Q. What was Commonwealth's, in the general</p> <p>19 manner, record retention policy?</p> <p>20 A. I don't remember.</p> <p>21 MR. MAGNANINI: Off the record.</p> <p>22 (A discussion takes place off the</p> <p>23 record).</p> <p>24 Q. Let me ask you a few questions about the</p> <p>25 very beginning of the manual, Nancy. On page COM</p>
<p style="text-align: right;">Page 27</p> <p>1 major?</p> <p>2 A. The dollar amount of the potential loss</p> <p>3 was large and the nature of the claim was fraud.</p> <p>4 Q. In order to be a major claim did it have</p> <p>5 to be both or could it be an either/or?</p> <p>6 A. It was up to the claims counsel's</p> <p>7 determination.</p> <p>8 Q. Okay. Did you have any involvement in</p> <p>9 that decision?</p> <p>10 A. No.</p> <p>11 Q. If you can just flip to what is listed</p> <p>12 as Exhibit 20, which is COM 23977?</p> <p>13 MR. KOTT: I think you misspoke. You</p> <p>14 referred to it as Exhibit 20.</p> <p>15 Q. Sorry, David, it's Exhibit 20 within</p> <p>16 Koch-1. So each of these things has a little exhibit</p> <p>17 number on the front of them. And Exhibit 20 is</p> <p>18 actually COM 23976. I did make a mistake. I put one</p> <p>19 more seven in there. And then Exhibit 20 is listed</p> <p>20 as a defalcation checklist. What was the purpose of</p> <p>21 this, Nancy?</p> <p>22 A. Again, I wasn't claims counsel. I can</p> <p>23 guess.</p> <p>24 Q. Okay. I'm just trying to figure out if</p> <p>25 these were used for -- these checklists were used</p>	<p style="text-align: right;">Page 29</p> <p>1 23874, it says -- the subject says: "Investigation</p> <p>2 and Reporting of Claims." And it says,</p> <p>3 "Acknowledgement of notice of claims." How was that</p> <p>4 actually -- how was that done by Commonwealth in '96,</p> <p>5 '97?</p> <p>6 A. I don't know.</p> <p>7 Q. So you didn't send out any letters</p> <p>8 acknowledging claims?</p> <p>9 A. No.</p> <p>10 Q. They would have come from the claims</p> <p>11 counsel?</p> <p>12 A. Yes.</p> <p>13 Q. And did you have any involvement in the</p> <p>14 investigation of potential coverage?</p> <p>15 A. At the request of the claims counsel,</p> <p>16 yes.</p> <p>17 Q. And what involvement or what did you do?</p> <p>18 A. It would be factfinding. Whatever they</p> <p>19 needed me to try to get for them I would try to get</p> <p>20 them for. If it was files, if it was information.</p> <p>21 Q. That was the going to Coastal and</p> <p>22 looking at the files?</p> <p>23 A. Exactly.</p> <p>24 Q. One of the questions we had asked Donna</p> <p>25 Sullivan, she was the corporate representative who</p>

8 (Pages 26 to 29)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 30	Page 32
<p>1 testified on behalf of Commonwealth, we were trying 2 to track down copies of the title insurance policies, 3 the commitments, closing protection letters, and 4 she -- and I might be mistaken but I believe she said 5 that they would be transferred and end up at the NPC, 6 the National Processing Center -- 7 A. Yes. 8 Q. -- in Louisville. Did you have any 9 involvement in sending documents there or dealing 10 with the NPC? 11 A. I didn't personally send things to them 12 generally. I had staff that took care of that, and I 13 did deal with NPC somewhat regularly. 14 Q. And does NPC still exist? 15 A. Not to my knowledge. 16 Q. Okay. 17 A. You know what, I don't know, I don't 18 know. 19 Q. What was NPC's purpose? 20 A. They were the repository for policies 21 and they also -- for issued policies and closing 22 service letters and also were the forms supplier when 23 we supplied paper forms. 24 Q. Okay. Mr. Agel had testified about 25 that, that the things used to come in with a specific</p>	<p>1 claims counsel must obtain a policy from NPC. You 2 see the end of the first sentence into the second? 3 Did you have any involvement in obtaining policies 4 from NPC related to the Walsh Securities claims? 5 A. I don't think so. 6 Q. How would NPC send copies of policies? 7 Were they paper or were they electronic? 8 A. My recollection is at that time it was 9 most often faxed. If we requested a policy they 10 would fax it. That's my recollection. We could get 11 them in paper, but usually it was one policy and they 12 could fax it. 13 Q. Okay. After an investigation is 14 concluded what happens to the documents that are part 15 of the investigation? 16 A. I don't know. 17 Q. Do you know if as a result of the 18 investigation the claims made by Walsh Securities 19 were ever denied? 20 A. I think they were but I'm not positive 21 of that. 22 Q. Do you recall ever seeing any 23 correspondence to that effect? 24 A. I probably did. I don't remember it. 25 Q. We have never seen it.</p>
Page 31	Page 33
<p>1 number and each one had to be accounted for. 2 A. Yes. 3 Q. Things like that. When did you change 4 from -- when did Commonwealth, sorry, change from the 5 paper forms to, I guess, computer-generated forms? 6 A. We had not changed as of 2009. 7 Q. Okay. 8 A. Well, no, we -- I think we were still 9 doing paper in 2009. 10 Q. So back in '96, '97, the policies and 11 closing service protection letters issued by Coastal 12 Title Agency were actually -- were paper forms 13 provided by Commonwealth? 14 A. No. 15 Q. Okay. I didn't get that right then. 16 A. The policies were, the policy jackets 17 were. We had not gone electronic with those yet, but 18 agents were able to issue closing service letters off 19 of their computer systems. 20 Q. And title commitments? 21 A. Paper jackets from us. 22 Q. From you? At the risk of you not 23 knowing this, I'll ask the question since I got you 24 sitting here, on page COM 23875 under "Agent Policy 25 Verification," it -- the second paragraph says that</p>	<p>1 A. I probably did but I don't remember. 2 (Koch-2, Letter dated September 29, 3 2000, is received and marked for identification.) . 4 Q. Nancy, I would like you to take a look 5 at what we've marked as Koch-2, which is a letter 6 from Commonwealth to Coastal Title and ask if -- it's 7 also Bates stamped as you see COM 2386 and ask if you 8 have ever seen this before? 9 A. Yes. 10 Q. And I assume that's your signature? 11 A. It is. 12 Q. The -- for my own edification, after the 13 Esquire you have a CTP initials. 14 A. Yes. 15 Q. What does that stand for? 16 A. Certified title professional. 17 Q. And is that a state designation? 18 A. It's a professional designation. 19 Q. How do you get that? 20 A. It's done by the New Jersey Land Title 21 Association and it takes into account experience, 22 publication, teaching, you know. 23 Q. That you know what you're doing more or 24 less. And then is this a letter that you sent to 25 Coastal Title?</p>

9 (Pages 30 to 33)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 34	Page 36
<p>1 A. Yes.</p> <p>2 Q. And it was terminating the relationship</p> <p>3 with Coastal Title agency?</p> <p>4 A. Yes.</p> <p>5 Q. And then in the second paragraph it</p> <p>6 says, that Cris, C-r-i-s, Franco will be contacting</p> <p>7 you to arrange to retrieve your supply of</p> <p>8 Commonwealth and to provide a termination audit. Do</p> <p>9 you know if a termination audit was performed on</p> <p>10 Coastal Title agency?</p> <p>11 A. I don't remember. I assume it was. I</p> <p>12 don't remember.</p> <p>13 Q. What does a termination audit include?</p> <p>14 A. Accounting for the forms, making sure</p> <p>15 that the premium remittances that we expect have been</p> <p>16 made or will be made, collecting our manuals.</p> <p>17 Q. And then what kind of manuals did you</p> <p>18 provide the title agents?</p> <p>19 A. The only one I can remember at that time</p> <p>20 frame was the "Frequently Asked Title Questions"</p> <p>21 manual or book, although before my time there were</p> <p>22 manuals that Bob might have had. I don't know.</p> <p>23 Q. And what were in the manuals?</p> <p>24 A. The "Frequently Asked Title Questions"</p> <p>25 book were a series of underwriting releases answering</p>	<p>1 A. That certainly played in the back of my</p> <p>2 mind.</p> <p>3 Q. Has Commonwealth done any business with</p> <p>4 Coastal Title since the termination?</p> <p>5 MR. KOTT: Would you read the question</p> <p>6 back.</p> <p>7 (The pending question is read by the</p> <p>8 court reporter.)</p> <p>9 Q. That's up to the time you left, Nancy.</p> <p>10 A. I don't think so. I don't remember any.</p> <p>11 Q. How did the termination with Coastal</p> <p>12 come about?</p> <p>13 A. Sorry?</p> <p>14 MR. KOTT: Off the record.</p> <p>15 (A discussion takes place off the</p> <p>16 record).</p> <p>17 Q. How did the termination with -- of</p> <p>18 Coastal Title agency come about?</p> <p>19 A. I don't remember specifically. We would</p> <p>20 review our agency relationships monthly in a</p> <p>21 department meeting, and at some point in time we</p> <p>22 probably looked at Coastal and said we need to</p> <p>23 terminate this because it's not -- it's costing us</p> <p>24 more than -- to maintain the relationship than to</p> <p>25 have it, I think.</p>
Page 35	Page 37
<p>1 a specific title question. The other manuals I don't</p> <p>2 know because I don't know which ones he may or may</p> <p>3 not have had.</p> <p>4 Q. The "Frequently Asked Questions" manual</p> <p>5 was I guess to -- a resource in the first instance</p> <p>6 that the title agent would look at before calling</p> <p>7 you?</p> <p>8 A. Yes.</p> <p>9 Q. Before calling Commonwealth, I mean to</p> <p>10 say?</p> <p>11 A. Yes.</p> <p>12 Q. And then do you recall ever hearing</p> <p>13 there were any problems or issues raised as a result</p> <p>14 of the termination audit with Coastal Title?</p> <p>15 A. I don't remember.</p> <p>16 Q. Why did Commonwealth -- it says the</p> <p>17 termination was a mutual decision. Why did</p> <p>18 Commonwealth want to terminate the agency</p> <p>19 relationship?</p> <p>20 A. Bob was very loyal to Lawyer's Title and</p> <p>21 we were not getting a lot of business from him and</p> <p>22 felt that there was no sense to continue the</p> <p>23 relationship.</p> <p>24 Q. Did it have anything to do with the</p> <p>25 Walsh Securities claims or litigation?</p>	<p>1 Q. That's what I was wondering. The</p> <p>2 relationship had not been profitable or had become</p> <p>3 less profitable?</p> <p>4 A. Yes.</p> <p>5 Q. And was Commonwealth's relationship with</p> <p>6 Coastal profitable in 1996 or '97?</p> <p>7 A. Probably. I don't recall the numbers.</p> <p>8 Q. Let me ask, just because the whole title</p> <p>9 insurance industry is still a little odd to me, not</p> <p>10 to David or Ed, but I as I understand it Walsh</p> <p>11 Securities or at the closing on a loan funded by</p> <p>12 Walsh Securities a closing lawyer, either Mr. Yacker</p> <p>13 or Mr. Cicalese, would pay Coastal Title Agency a</p> <p>14 certain amount of money for title policy, closing</p> <p>15 service protection letter was particularly listed and</p> <p>16 searches and things like that.</p> <p>17 How did Commonwealth, which actually</p> <p>18 issues the insurance policy, get paid? Money was</p> <p>19 remitted from Coastal, the agent, to Commonwealth?</p> <p>20 MR. KOTT: Object to the form.</p> <p>21 Q. Or was money remitted from --</p> <p>22 A. If I can correct one thing, we did not</p> <p>23 issue the policies. The policies were issued by</p> <p>24 Coastal Title or the agent, whichever agent it is.</p> <p>25 MR. KOTT: So the witness has sustained</p>

10 (Pages 34 to 37)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 38

1 my objection.  
 2 MR. MAGNANINI: I'm glad someone knows  
 3 what's going on.  
 4 A. It would be reported to us and remitted  
 5 to us periodically. So it was up to the agent to  
 6 make that report and remit the money to us.  
 7 Q. And did you see those reports, Nancy, in  
 8 your management role?  
 9 A. Occasionally, yes.  
 10 Q. And then if I can go back, you said you  
 11 were kind of the end of the line or the  
 12 decision-maker on whether an agent should become an  
 13 agent of Commonwealth.  
 14 A. Yes.  
 15 Q. And what did you have to do to become a  
 16 title agent with Commonwealth?  
 17 A. We had an application form. We had --  
 18 this is in the '96, '97 area.  
 19 Q. Right.  
 20 A. We had an application form. We did a  
 21 credit check. The agency representative or I would  
 22 do an interview with the agent to talk to them and  
 23 get a handle on their experience. About half the  
 24 time we would do a pre-sign audit.  
 25 Q. What did that consist of?

Page 39

1 A. If the agent did closings -- if the  
 2 agent did closings, then we would look at their  
 3 escrow account. And we would do a spot-check on some  
 4 underwriting files to see if they looked regular.  
 5 Q. Okay. So once Mr. Agel and Coastal  
 6 Title are now an agent of Commonwealth you provide  
 7 them with the forms and a resource for questions, but  
 8 the title agent does the searches, does the issuance  
 9 of the policies and the closing service protection  
 10 letters and -- I don't want to say all that sort of  
 11 thing.  
 12 A. They obtain the searches and issue the  
 13 commitments and the policies, yes.  
 14 Q. And --  
 15 A. And examine them.  
 16 Q. And the amount of money that's paid to  
 17 Commonwealth is laid out in the agency agreement?  
 18 A. Yes.  
 19 Q. And is that a statutory amount?  
 20 A. No, it's by contract.  
 21 Q. It's by contract. Okay. What were the  
 22 upfront costs then to Commonwealth to having an agent  
 23 like Coastal?  
 24 A. My and my staff's salary and overhead  
 25 for our office. The cost of forms, providing forms,

Page 40

1 the cost of maintaining audit staff and all of the  
 2 company overhead.  
 3 Q. Okay. And that's why -- off the record.  
 4 (A discussion takes place off the  
 5 record).  
 6 Q. Most of the premium paid was actually  
 7 then retained by the title agent?  
 8 A. Right. A larger portion was retained by  
 9 the agent, yes.  
 10 Q. Do you know how much or -- how much  
 11 Commonwealth made on the loans that were part of the  
 12 Walsh Securities claims?  
 13 A. I do not.  
 14 (Koch-3, Legal Bulletin dated 11/25/98,  
 15 is received and marked for identification.)  
 16 Q. Nancy, if you can take a look at what we  
 17 marked as Koch Number 3. It's a document that was  
 18 produced by Commonwealth's counsel and is Bates  
 19 stamped COM 24180 through 24217. It's titled:  
 20 "Legal Bulletin" at the top dated November 25, 1998  
 21 and purports to be from you.  
 22 A. Yes.  
 23 Q. I just ask if you had seen this before  
 24 today?  
 25 A. Yes.

Page 41

1 Q. And as part of your responsibilities in  
 2 1998 did you prepare legal bulletins?  
 3 A. Yes.  
 4 Q. And what was the purpose of the legal  
 5 bulletins?  
 6 A. To communicate with our agents.  
 7 Q. Okay. And who drafted the legal  
 8 bulletin?  
 9 A. It depends. This one probably was in my  
 10 secretary's computer and I tweaked it and then she  
 11 produced it probably.  
 12 Q. Okay. And so these were more or less a  
 13 form?  
 14 A. This one went out periodically and it  
 15 was just updated.  
 16 Q. As issues arose in the field. That's  
 17 what it seemed to be but you tell me.  
 18 A. As attorneys were added or just to give  
 19 them the most updated list.  
 20 Q. And then the subject matter here of the  
 21 legal bulletin is: "Non-Approved Attorneys List and  
 22 Closing Attorney Criteria." How often were these  
 23 bulletins issued with the non-approved attorneys  
 24 list?  
 25 A. It was periodic. There was no set time.

11 (Pages 38 to 41)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59



N. KOCH

<p style="text-align: right;">Page 42</p> <p>1 Q. And I will ask you the question: How</p> <p>2 did you become an approved attorney?</p> <p>3 A. We didn't have approved attorneys.</p> <p>4 Q. So all attorneys were approved unless</p> <p>5 you were not approved?</p> <p>6 A. All attorneys who met our criteria were</p> <p>7 approved unless you were non-approved.</p> <p>8 Q. What were the criteria --</p> <p>9 MR. KOTT: Do you want to take a moment</p> <p>10 to review this document? If you need to you can, if</p> <p>11 you don't need to you don't have to.</p> <p>12 A. It's missing the criteria page.</p> <p>13 Q. Sorry. We actually have another one</p> <p>14 from '99 which has got the criteria. This one I</p> <p>15 guess doesn't have it.</p> <p>16 A. They were always the same.</p> <p>17 (Koch-4, Legal Bulletin dated July 9,</p> <p>18 1999, is received and marked for identification.)</p> <p>19 Q. Nancy, we have given you what's marked I</p> <p>20 believe Koch Exhibit 4, which is a Legal Bulletin.</p> <p>21 The Non-Approved Attorneys List dated July 9 of 1999.</p> <p>22 A. Yes.</p> <p>23 Q. And then does this have the closing</p> <p>24 attorneys' criteria on it?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 44</p> <p>1 was now not approved?</p> <p>2 A. Usually me.</p> <p>3 Q. And then when I looked at Koch Number 4,</p> <p>4 the July 9, 1999 Legal Bulletin, there are two</p> <p>5 attorneys that we had made allegations about, Stanley</p> <p>6 Yacker and Anthony Cicalese, are included in the not</p> <p>7 approved list. Why were they included in the list?</p> <p>8 A. I don't recall specifically. Probably</p> <p>9 because of the Walsh claim.</p> <p>10 Q. Okay. And then I notice that Mr. --</p> <p>11 neither Mr. Alfieri nor Mr. Pepsny were included in</p> <p>12 the non-approved list. Did Commonwealth review them</p> <p>13 or --</p> <p>14 A. Sorry.</p> <p>15 Q. When we looked at the list, the other</p> <p>16 two attorneys that Walsh Securities had made</p> <p>17 allegations were involved in the fraud were Michael</p> <p>18 Alfieri and Richard Pepsny but they were not included</p> <p>19 on the non-approved list, and I don't know if you</p> <p>20 know why that was.</p> <p>21 A. I don't remember.</p> <p>22 Q. What happened if a title agent used an</p> <p>23 attorney that was on the non-approved attorneys list?</p> <p>24 A. If we found out we told them to cut it</p> <p>25 out. An agent could call me and ask to do business</p>
<p style="text-align: right;">Page 43</p> <p>1 Q. And where is that?</p> <p>2 A. COM 24222.</p> <p>3 Q. And which is entitled: "Criteria For</p> <p>4 Closing Attorneys"?</p> <p>5 A. Correct.</p> <p>6 Q. So as long as you met that criteria you</p> <p>7 were an approved attorney?</p> <p>8 A. You were allowed to have a closing</p> <p>9 service letter issued on you, yes.</p> <p>10 Q. Thank you for that. And then flipping</p> <p>11 back to the Koch Exhibit 3, the November 25, 1998, we</p> <p>12 went through the list of attorneys and the four</p> <p>13 attorneys that Walsh Securities has made allegations,</p> <p>14 none of those were included in the non-approved</p> <p>15 attorneys list.</p> <p>16 How long did it take Commonwealth to put</p> <p>17 someone on the non-approved list? And I guess I'll</p> <p>18 ask an objectionable double question: What were the</p> <p>19 criteria for that?</p> <p>20 A. How long it took, it depends. What were</p> <p>21 the criteria? Claims experience, lack of</p> <p>22 cooperation, disciplinary action in the Law Journal</p> <p>23 involving suspension or mishandling of funds or real</p> <p>24 estate transactions.</p> <p>25 Q. Who made the decision that an attorney</p>	<p style="text-align: right;">Page 45</p> <p>1 with an attorney on our non-approved list and I might</p> <p>2 occasionally authorize that.</p> <p>3 Q. Do you recall if anyone ever called</p> <p>4 asking to do business with Mr. Yacker or Mr. Cicalese</p> <p>5 after?</p> <p>6 A. I don't remember that.</p> <p>7 Q. As to Mr. Yacker and Mr. Cicalese being</p> <p>8 on this non-approved attorneys list, was that done by</p> <p>9 Commonwealth or was it a request from Coastal?</p> <p>10 A. I don't remember.</p> <p>11 Q. Nancy, if you could flip back to Koch</p> <p>12 Number 3. Down at the bottom of the first page, COM</p> <p>13 24180.</p> <p>14 A. Yes.</p> <p>15 Q. It says -- fifth paragraph down says:</p> <p>16 "We continue to experience problems caused by closing</p> <p>17 attorneys who fail to comply with the lender's</p> <p>18 instructions and our Schedule B requirements."</p> <p>19 What type of problems would occur if a</p> <p>20 closing attorney failed to comply with the lender's</p> <p>21 instructions and your Schedule B requirements?</p> <p>22 A. You want examples?</p> <p>23 Q. I do.</p> <p>24 A. An attorney fails to timely record a</p> <p>25 mortgage so an intervening lien -- a deed or mortgage</p>

12 (Pages 42 to 45)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59



N. KOCH

Page 46

1 so an intervening lien might hit. Often an  
2 attorney -- not often but occasionally an attorney  
3 would fail to timely return closing documentation to  
4 a lender and the lender would come to us to rectify  
5 that, so then we would have to spend time and effort  
6 dealing with that attorney to get that work taken  
7 care of.

8 Q. Any other?

9 A. There are --

10 Q. Numerous?

11 A. Numerous, yes.

12 Q. Okay. Did Coastal ever report any  
13 warning signs or problems with any of the attorneys  
14 involved in the Walsh Securities claims?

15 A. I don't remember it.

16 MR. KOTT: Can you read back that  
17 answer.

18 (The last answer is read by the court  
19 reporter.)

20 Q. Do you remember a discussion with  
21 Coastal about deeds or documents not being recorded  
22 either during the '96, '97 time frame or during your  
23 investigation into Walsh Securities claims?

24 A. I don't remember --

25 MR. KOTT: Excuse me. I object to the

Page 47

1 form. Go ahead.

2 A. I don't remember specific conversations.

3 Q. Did you have any general discussions?

4 A. I don't remember them. I believe I did  
5 have a conversation. I don't remember it.

6 Q. One of the things we found as we've done  
7 our own investigation was that there were a number of  
8 closings in which the documents were just never  
9 recorded and they built up. About April of 1997  
10 Coastal Title Agency actually recorded about 300  
11 deeds and mortgages to try and straighten out the  
12 paperwork. Was that a usual event for the title  
13 agents to record deeds and mortgages?

14 A. Some agents recorded documents as an  
15 accommodation for their attorney customers. I don't  
16 think that's what was going on here, but yes.

17 Q. And then had you ever come upon an  
18 instance where you had one agent recording 300 or so  
19 documents at one time for transactions that had been  
20 closed months prior?

21 A. I don't remember another one.

22 Q. Did you have a discussion with Mr. Agel  
23 about that?

24 A. I don't remember it. I don't remember  
25 it.

Page 48

1 Q. Was that -- I will call it a mass  
2 filing -- ever discussed during the investigation  
3 that you conducted?

4 A. I don't remember it.

5 (A recess takes place.)

6 Q. This was marked as Commonwealth Number  
7 3. And I'll ask you to take a look. It's from the  
8 deposition -- as I said, Donna Sullivan was the  
9 30(b)6 witness for Commonwealth and it's a letter  
10 from an attorney at Latham & Watkins, which  
11 represented Walsh Securities at the time, dated July  
12 28, 1997. As you can see it cc's Miss Sullivan on  
13 the -- it's addressed to Commonwealth Land Title  
14 Insurance Company. It says, "Donna Sullivan Esquire  
15 via telecopy" on the second page. Have you ever seen  
16 this letter before?

17 A. I don't remember it.

18 Q. When you went -- as you can see it's a  
19 four-page document. There's two pages putting  
20 Commonwealth on notice of claims of Walsh Securities  
21 and there's -- there's a Schedule A attached which  
22 lists -- it actually lists Walsh Securities' loan  
23 number, the borrower, the closing date of the  
24 transaction, the loan amount, the correspondent  
25 closing agent, and I believe these lists were broken

Page 49

1 down. As you can see all of these loans were insured  
2 by Commonwealth.

3 When you went to Coastal Title how did  
4 you know what loans to look at?

5 A. I asked Bob to have the files that  
6 Commonwealth was involved on -- involved in set  
7 aside.

8 Q. And Mr. Agel knew what you were talking  
9 about?

10 A. Well, we had had a whole conversation,  
11 yes.

12 Q. Before you went down there?

13 A. Yes. You know what, let me take that  
14 back. I don't remember when it was. I know at some  
15 point in time I said to him: I need you to segregate  
16 the files so I can come see them, and when I got  
17 there there were boxes of files.

18 Q. How did Commonwealth first find out  
19 about these claims? Was it from the claim --

20 A. I don't remember.

21 MR. KOTT: Excuse me. I object to the  
22 form of the question because how did Commonwealth --  
23 I am not producing her as a 30(b)6.

24 Q. Right. How did you find out about it,  
25 Nancy? The only reason I'm asking, Walsh Securities

13 (Pages 46 to 49)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 50

1 had actually filed a complaint in federal court July  
2 17th of '97 naming attorneys, naming people -- naming  
3 Coastal Title Agency, and then I believe the claim  
4 letter as you see here of July 28 were sent after  
5 that.

6 A. I don't remember.

7 Q. And then did you have a discussion with  
8 Mr. Agel before going to Coastal Title Agency?

9 A. I'm sure I did. I know I didn't just  
10 show up unannounced.

11 Q. And then did you take any notes of your  
12 discussions with Mr. Agel or make any interview  
13 memos?

14 A. No.

15 Q. Do you recall ever having -- after that  
16 one time you went to Coastal Title Agency, did you  
17 ever go back to Coastal Title Agency for any  
18 involvement with the Walsh Securities claims?

19 A. Not that I recall.

20 Q. Do you recall ever receiving any files  
21 or documents from Coastal Title after your initial  
22 visit to them?

23 A. Not that I recall.

24 Q. Nancy, I'll show you what we previously  
25 marked at the Commonwealth 30(b)6 dep Exhibit 6A,

Page 51

1 which is a closing service letter dated October 30,  
2 1996 issued for Stanley Yacker for a transaction  
3 involving a Rafael Bustos, Senior at 138 Ridge Avenue  
4 in Asbury Park. Have you ever seen this letter  
5 before today?

6 A. I might have seen it -- this may have  
7 been the one that was provided to me to review.

8 Q. Okay. And these are -- this form of  
9 letter was what you testified earlier was produced by  
10 the closing -- by Coastal Title Agency off their  
11 computers?

12 A. It appears to be, yes.

13 Q. One of the questions we have had  
14 throughout was under the file number on the first  
15 page, which is Bates stamped WSWT 000505, which I'll  
16 tell you was produced by Walsh Securities, these were  
17 part of their wire transfer files, which is what that  
18 stands for, it says there's a file number CT 18724  
19 and then there's an (A) in parenthesis. Do you know  
20 what the (A) stands for?

21 A. I do not.

22 Q. Did you have any discussion with Mr.  
23 Agel about the (A) or how they denominated their  
24 closing service letters?

25 A. Not that I recall.

Page 52

1 Q. Mr. Agel had testified that the initial  
2 purchase transaction was given a file number and then  
3 to limit confusion the subsequent sale transaction by  
4 one of Mr. Kane's entities was given an A on it and I  
5 guess the question is: Mr. Agel had said that he  
6 had -- had recalled having discussions with you about  
7 different issues involving title insurance with the  
8 properties at issue in the litigation. Do you recall  
9 if he ever told you that they were with the sale or  
10 with the purchase of a property which was  
11 subsequently going to be flipped?

12 A. I don't remember that.

13 Q. Do you recall if Mr. Agel ever told you  
14 that at some point it appears as if or at some point  
15 he became aware that Mr. Kane or his entities were  
16 purchasing the properties to be sold with the money  
17 from the subsequent sale of the properties?

18 A. I don't remember him telling me that.

19 Q. Did you ever have any conversations with  
20 either Mr. Alfieri or Mr. Pepsny about the same  
21 thing? Mr. Pepsny testified that at some point he  
22 realized that the sale of the property was being used  
23 to pay for the purchase of the property.

24 A. I don't recall any such conversation.

25 Q. Nancy, earlier you said you were

Page 53

1 designated by the New Jersey Land Title Insurance  
2 Rating Bureau, CTB --

3 A. New Jersey Land Title Association.

4 Q. Association. Okay. I thought that was  
5 the same -- what is the New Jersey Land Title  
6 Insurance Rating Bureau?

7 A. The Title Act allows title insurers to  
8 form a rating bureau to do forms and rate filings for  
9 its members and the rating bureau is that entity.

10 Q. And each title company has a  
11 representation on the rating bureau?

12 A. Every member company has representation  
13 on the rating bureau, yes.

14 Q. And were you the representative for  
15 Commonwealth?

16 A. I was one of the representatives for  
17 Commonwealth, yes.

18 Q. And then this -- one of the things we've  
19 come upon is this closing service letter here has got  
20 paragraphs one and two and under Conditions and  
21 Exclusions there's listed A to E. During the same --  
22 how were these forms I guess approved for use?

23 MR. KOTT: Excuse me. Approved by whom?

24 Q. For -- just by the title insurance  
25 companies.

14 (Pages 50 to 53)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 54

1 A. For the rating bureau?  
 2 Q. For the rating bureau?  
 3 A. The rating bureau would make a forms  
 4 filing with the New Jersey Department of Banking and  
 5 Insurance, the Department of Banking and Insurance  
 6 would do whatever review process they have and they  
 7 would approve the form.  
 8 Q. And then the form was used by -- did it  
 9 have to be used by all the title companies?  
 10 A. All members had to use it unless they  
 11 had a deviation filing, yes.  
 12 Q. And a deviation filing was with the  
 13 bureau or with the --  
 14 A. State of New Jersey.  
 15 Q. State of New Jersey. If I could show  
 16 you, Nancy -- again, this is from the prior  
 17 Commonwealth 30(b)6 deposition. It was marked as  
 18 Exhibit 7. It's actually another closing service  
 19 letter. This one is on behalf of Fidelity Title  
 20 Insurance Company. And one of the -- the initial  
 21 question I had was: The Exhibit 6A, the Commonwealth  
 22 closing service letter, the very bottom on the first  
 23 page, Bates stamped WSWT 505, it says: New Jersey  
 24 Land Title Insurance Rating Bureau and then there's a  
 25 NJRB 604, and then there's a date 8/1/94. Do you see

Page 55

1 that?  
 2 A. Yes.  
 3 Q. The Fidelity closing service letter,  
 4 which is Exhibit 7, does not have that on the bottom.  
 5 Is that required or was it not required?  
 6 A. I would say not required.  
 7 Q. And then one of the other differences is  
 8 that Fidelity letter, which is marked as Exhibit 7  
 9 there, it has under Conditions and Exclusions a  
 10 paragraph F.  
 11 A. Yes.  
 12 Q. Where Commonwealth closing service  
 13 letter, Exhibit 6A, does not have a paragraph F. Do  
 14 you have any knowledge when paragraph F was added to  
 15 the closing service letters?  
 16 A. I don't remember.  
 17 Q. Do you know why -- I believe both of  
 18 them -- as you can see Exhibit 6A, the Commonwealth  
 19 letter, was dated October 30, 1996 and the Fidelity  
 20 letter, Exhibit 7, is dated October 25, 1996 -- why  
 21 each of the title insurance closing service letters  
 22 are different?  
 23 A. I don't know why. I don't know why.  
 24 Q. Do you -- you said you don't know why.  
 25 Do you have an idea? I don't want you to guess but

Page 56

1 if you have some knowledge since you were on the  
 2 board.  
 3 A. It was a mistake is my -- I'm not sure  
 4 of that, but I think it was a mistake on Mr. Agel's  
 5 part.  
 6 Q. And the mistake being the issuance of  
 7 Exhibit 6A without a paragraph F?  
 8 A. Correct.  
 9 Q. You said Mr. Agel would produce and  
 10 issue the letters from his computers. Who checked  
 11 that at Commonwealth? Did you -- you said  
 12 Commonwealth did audits and things like that. Was  
 13 the type of forms issued reviewed and checked?  
 14 A. I'm not sure that the auditor would get  
 15 that specific.  
 16 Q. And how did Mr. Agel get or how did  
 17 Coastal Title Agency get the documents to send out?  
 18 Did they receive them from Commonwealth is my  
 19 question?  
 20 MR. KOTT: What documents are you  
 21 referring to?  
 22 Q. The closing service letters. Because  
 23 you said something like the commitment, there was a  
 24 paper binder that was sent to them.  
 25 A. I don't specifically remember how we

Page 57

1 handled this particular form change, but I do  
 2 remember how we did them generally, and what we would  
 3 do is we would send a memo out to the agent saying  
 4 the forms have changed, this is the nature of the  
 5 change, this is the deadline for you making the  
 6 change, implementing the change, and either here is a  
 7 small supply of the forms in case you can't get --  
 8 you need the paper before, or here's how you can get  
 9 the forms from NPC, and then it was up to them to  
 10 have their computer systems changed.  
 11 Q. Did the different closing service  
 12 letters factor in your decision to terminate Coastal  
 13 Title Agency?  
 14 A. Not that I recall.  
 15 Q. Was it the general nature of the  
 16 litigation among other financials?  
 17 A. I don't -- yeah.  
 18 Q. In an effort to save paper, Nancy, I  
 19 would like you to take a look at what we have had  
 20 marked as Commonwealth Exhibit 8. Earlier, Nancy,  
 21 you said you had gone to Coastal Title Agency and  
 22 looked at the various files and you said there was  
 23 something not right about them. Do you recall what  
 24 was not right about them? I'm not sure -- I am not  
 25 quoting you, I'm just paraphrasing.

15 (Pages 54 to 57)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59



N. KOCH

Page 58

1 A. I remember that it was clear that there  
 2 were flip transactions going on and that they  
 3 involved a lot of similar same parties. I have a  
 4 vague recollection of there being partial transfers  
 5 in some of these. I don't remember the exact details  
 6 of it, but I remember seeing something along those  
 7 lines and saying: That's odd.  
 8 Q. What do you mean, a partial transfer?  
 9 A. I have this vague recollection that the  
 10 grantor was conveying less than a full interest to  
 11 somebody else, like a percent interest in the real  
 12 estate to somebody else.  
 13 Q. Right. Another long-winded  
 14 introduction, I apologize, but one of the allegations  
 15 that Walsh has made as part of the fraud was at the  
 16 closing the buyer would convey 60 percent of the  
 17 interest in the property to an entity called Capital  
 18 Assets Property Management, which was owned by Gary  
 19 Grieser, who I asked you about earlier, and those  
 20 were some of the deeds also that Coastal Title had  
 21 recorded. So you recall seeing those deeds, what we  
 22 call the joint venture deeds, in the files that  
 23 Coastal had?  
 24 A. Again, I don't have a specific  
 25 recollection, but I knew that was something that

Page 59

1 didn't -- that seemed odd.  
 2 Q. To say the least. Okay. And then on  
 3 this, what we have got listed as Commonwealth -- what  
 4 is it?  
 5 A. Eight.  
 6 Q. Eight. On the second page there's the  
 7 description of the property. Where does this come  
 8 from since it says Commonwealth Land Title Insurance  
 9 up top?  
 10 A. It looks like it's the description page  
 11 from a title insurance commitment issued by Coastal  
 12 Title Agency.  
 13 Q. And then -- and then there's no  
 14 commitment number as you can see on the second page  
 15 of the exhibit. When was the commitment number  
 16 issued?  
 17 A. It depended on the agent.  
 18 Q. Okay. And there's a file number, which  
 19 CT I will represent to you is Coastal Title. That's  
 20 what we have seen throughout the documents. The --  
 21 that's assigned by Coastal Title themselves, the file  
 22 number, and that's different than the commitment  
 23 number?  
 24 A. We stopped using commitment numbers  
 25 years and years ago. I don't remember ever having

Page 60

1 formal commitment numbers.  
 2 Q. So Commonwealth -- even though it was on  
 3 the form, Commonwealth didn't use it?  
 4 A. This was generated by Coastal's system  
 5 so I don't know why they had that on there.  
 6 Q. Do you recall when Commonwealth stopped  
 7 using commitment numbers?  
 8 A. It was before they acquired Trans Nation  
 9 so it was before my time.  
 10 Q. Like the '80s?  
 11 A. I have no idea.  
 12 Q. Okay. Off the record.  
 13 (A discussion takes place off the  
 14 record).  
 15 Q. Nancy, if you can take a look at what we  
 16 have marked as Commonwealth-9. Like I said we're  
 17 reusing exhibits, and this I'll represent to you is a  
 18 sale from G.J.L. Limited, which you said you didn't  
 19 recall but I'll tell you that was one of the -- it  
 20 was the alter ego of Cristo Property management,  
 21 which was owned by William Kane. So Mr. Kane and his  
 22 companies, either Cristo or G.J.L. would purchase a  
 23 property. In Exhibit 8 you can see that was  
 24 purchased from Osis Corporation for \$1,500 on  
 25 December 16 of '96 and then on December 31 of '96

Page 61

1 there's a deed from G.J.L. to Mr. Bustos. If you  
 2 actually flip back to exhibit -- Commonwealth Exhibit  
 3 6A, I believe that was the closing service letter for  
 4 the Bustos transaction. I apologize if you have  
 5 already answered the question, but on exhibit  
 6 Commonwealth-8, if you look at the -- which is the  
 7 purchase from G.J.L. Limited from Osis, the file  
 8 number on the second page is CT 18724, which you said  
 9 was assigned by Coastal Title Agency, and then on  
 10 Exhibit 9 on the second page is title insurance --  
 11 description of the property and it says -- the file  
 12 number there is CT 18724(A). And I know you said you  
 13 didn't know what the A was or hadn't discussed it.  
 14 Did you -- I'll ask this as a -- did  
 15 Commonwealth have any policy about flip properties?  
 16 You said you were unhappy they were doing them  
 17 although you said Commonwealth insured some flips  
 18 but...  
 19 A. I don't remember when we put something  
 20 out about staying away from them and in what format  
 21 that went. Whether it was under the red flags of  
 22 fraud I don't remember. So I don't remember the  
 23 timing, whether it was before this or after this.  
 24 However, I do know by this time if someone was  
 25 calling me and saying: I have this scenario, how

16 (Pages 58 to 61)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 62	Page 64
<p>1 about it? I would be saying: It sounds like a flip,  2 we need to scratch the surface harder.  3 Q. And do you recall any of those  4 conversations with Mr. Agel?  5 A. I don't.  6 Q. Do you recall when the -- any  7 conversations with the auditors that you managed  8 about audits of Coastal Title Agency and whether they  9 thought there were flips going on with these  10 commitments at issue, some with the number and then  11 the same number with an A?  12 A. I don't remember that.  13 Q. While at Commonwealth do you recall any  14 other scenarios similar to that where a title agency  15 would issue a commitment with a number and then the  16 same number but with some sort of suffix on it or  17 something like that?  18 A. Yes.  19 Q. And when would that occur?  20 A. There are a number of scenarios. One  21 might be where a mortgage is securing three different  22 properties in three different counties and they may  23 have a main file number for property -- for the first  24 property and then the one in another county would be  25 A and B or etcetera, to delineate the searches on the</p>	<p>1 A. I think preparing a deed is the practice  2 of law. I suppose a paralegal can do it under the --  3 no. I don't think they can. I don't know though. I  4 don't think they can.  5 Q. Nancy, if you can take a look at what  6 was marked as Commonwealth Exhibit 11, which is Bates  7 stamped CTB 1188 through 1192. Previously marked  8 Commonwealth Exhibit 12, not 11. Nancy, I will just  9 ask: What is this?  10 A. It looks like the schedules to a title  11 insurance commitment.  12 Q. Who would prepare this?  13 A. Coastal Title Agency.  14 Q. Do you recognize any of the handwriting  15 on the first page, CTB 1188?  16 A. I don't.  17 Q. And then after Schedule A and with the  18 description, the third page is CTB 1190, which goes  19 over to CTB 1191, what is the purpose of Schedule B,  20 Section 1?  21 A. Schedule B-1 identifies the requirements  22 that need to be met in order for our policy to be  23 issued.  24 Q. And then the last page of the document  25 is CTB 1192, which is Schedule B, Section 2. What is</p>
Page 63	Page 65
<p>1 various properties.  2 Q. Okay. So it wasn't unheard of?  3 A. No.  4 Q. And then had you ever seen it other than  5 with Coastal Title where the properties were being  6 flipped?  7 A. Using the A designation?  8 Q. Yes, or something like that.  9 A. I don't remember that.  10 Q. Nancy, if you can take a look at number  11 ten, which is a deed dated January 7, 1997, which as  12 you see is a week after the sale from G.J.L. to Mr.  13 Bustos. It's actually Bates stamped at the bottom as  14 you see CTB 1202 through 1204. And that, I'll  15 represent to you, is from Coastal Title. Why there's  16 a B we have never been able to figure that out but  17 they produced documents CT A through E.  18 This is a deed -- as you see it's from  19 Mr. Bustos conveying 60 percent of the property to  20 Capital Assets as I had discussed. Were these the  21 type of deeds you saw in the files at Coastal?  22 A. Probably, yes.  23 Q. And the deed is prepared by Lorraine E.  24 King. Can a paralegal prepare deeds?  25 MR. KOTT: Objection to the form.</p>	<p>1 the purpose of that?  2 A. Those are the items that will be  3 exceptions to title in our policy unless  4 satisfactorily addressed.  5 Q. And who was responsible for meeting the  6 requirements of schedule B, Section 1?  7 A. Typically the closing attorney or  8 settlement agent.  9 Q. So in these transactions it would have  10 been Mr. Yacker or Mr. Cicalese for the closing  11 agents?  12 A. Assuming they were the closing attorney,  13 yes.  14 Q. And who was responsible for  15 satisfying -- if it's the right word -- the sections  16 in Schedule B, Section 2?  17 A. Typically the buyer's attorney who is  18 usually the settlement agent.  19 Q. Okay. What happened or what would  20 happen if one of the requirements of the Schedule B,  21 Section 1 was not satisfied?  22 A. It depends on which requirement and the  23 scenario that we're under.  24 Q. Okay. So there's no general prohibition  25 that if one is not satisfied there's no title policy</p>

17 (Pages 62 to 65)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59



N. KOCH

<p style="text-align: right;">Page 66</p> <p>1 issued or something like that? Each one is situation 2 dependent? 3 A. Yes. 4 Q. Next one in this long line was marked 5 Commonwealth Exhibit 13. Nancy, I would ask you to 6 take a look at what we previously marked as 7 Commonwealth Exhibit 13, which is an invoice from 8 Coastal Title Agency to Stanley Yacker, and as you 9 can see on the first page, it's Bates stamped CTB 10 1150 and 1151, on page 1150 it says, "Transaction" on 11 the upper right and it says, "Property," again, 12 Bustos, 138 Ridge Avenue, Asbury Park. And I would 13 ask you if you had seen this document before today? 14 A. I don't remember it. 15 Q. Did you ever see the invoices that 16 Coastal Title issued to the closing agents or the 17 attorneys? 18 A. In passing, sure. 19 Q. How would you see them? 20 A. If I did an underwriting audit of theirs 21 I would be in the file, and there might be an invoice 22 in there that I would see that it's in the file. 23 Q. Did you ever do any underwriting audits 24 of Coastal Title Agency? 25 A. I did.</p>	<p style="text-align: right;">Page 68</p> <p>1 this actually relates to the 138 Ridge Avenue 2 transaction that the other documents you've seen 3 refer to. And I would ask you: Have you seen this 4 document before today? 5 A. I don't think so. 6 Q. There was nothing -- or do you recall if 7 there was anything from Mr. Yacker in the Coastal 8 files that you looked at? 9 A. I don't have a specific recollection. 10 There could have been correspondence but I don't -- 11 you know, title correspondence, but I don't 12 specifically recall. 13 Q. If you can look at the third page of the 14 exhibit, 7083, if you look down on the second to last 15 events, there's an RFT. It says on the account 16 description that it's a check to Monmouth County for 17 707.50, which is then voided, and there's another 18 check to Monmouth County Clerk. It says, "Record." 19 And that's also voided. Why would an attorney void 20 filing fee checks? 21 MR. KOTT: Objection to the form. 22 A. I have no idea. 23 Q. That will bring us to our next -- we're 24 getting there. 25 A. Okay.</p>
<p style="text-align: right;">Page 67</p> <p>1 Q. When were they conducted? 2 A. I don't remember. 3 Q. I got to keep asking. 4 A. That's fine. 5 Q. And then on this invoice, which totals 6 \$1,113, this money was paid by Mr. Yacker to Coastal 7 Title Agency at the closing. How much of this amount 8 would be paid to Commonwealth? 9 A. Whatever the contractual commission 10 split was of the premium and then we get -- got the 11 \$25 closing service letter fee, if there is one. 12 Yes, there is, if that was paid. 13 Q. And then any of the other costs that are 14 listed here go to Commonwealth? 15 A. No. I think the -- everything, the exam 16 and the searches, photocopies, all of those would 17 have gone to Coastal. 18 Q. Why don't we take a break. 19 (A recess takes place.) 20 Q. Nancy, this was marked at Commonwealth's 21 dep as Exhibit 15. What I will represent to you is 22 it is a printout from Stanley Yacker's trust account 23 and the first two -- it's Bates stamped SYSW 7085 -- 24 actually 7083 through 7086. The first two pages are 25 just an electronic printout. And I represent that</p>	<p style="text-align: right;">Page 69</p> <p>1 Q. This is document Exhibit Commonwealth 2 16, which is Bates stamped CTB 1234, which again was 3 produced by Coastal Title Agency. And I would ask 4 you just to take a look at that. And do you know 5 what this is? 6 A. No. 7 Q. Had you ever seen a document like this 8 before today? 9 A. I could have. Certainly if it came from 10 Coastal's title file I would have seen something like 11 that when I went through the file if they kept these 12 in their file. 13 Q. But this was not a document that you saw 14 regularly? 15 A. I don't even know what it is. 16 Q. Okay. This one, Nancy, was marked 17 Commonwealth Number 17. It's closing instructions by 18 Walsh Securities and as you can see the closing date 19 is dated December 31, 1996, and it's Bates stamped 20 WSI, 44744 through 746. Would you see closing 21 instructions in the Coastal Title Agency's files? 22 A. I don't remember. 23 Q. If Mr. Yacker, the closing lawyer, did 24 not follow these instructions would that lead to a 25 claim against Commonwealth?</p>

18 (Pages 66 to 69)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 70

1 MR. KOTT: Hold on. Can I have the  
2 question back.  
3 (The pending question is read by the  
4 court reporter.)  
5 MR. KOTT: I object. And in what way?  
6 What instructions? Which part of the instructions?  
7 Q. That's what I'm asking. If there was a  
8 violation of the closing instructions issued by the  
9 lender, would that lead to an -- or could that lead  
10 to a claim against Commonwealth?  
11 MR. KOTT: Object to the form.  
12 A. It could lead to a claim.  
13 Q. And then what would happen if -- at that  
14 point once a claim was filed if the closing  
15 instructions had not been followed?  
16 A. Presumably the claims department would  
17 handle the claim.  
18 Q. That's part of an investigation?  
19 A. I would guess.  
20 Q. Do you recall seeing any of these  
21 closing instructions in the files?  
22 A. I don't recall.  
23 Q. You said during the investigation you  
24 didn't speak with Mr. Yacker. Did you speak to  
25 anyone from his office?

Page 71

1 A. I don't believe so.  
2 Q. Lorraine King?  
3 A. I don't remember speaking to her.  
4 Q. Looking at the closing instructions, in  
5 this particular case this property, the -- appears  
6 that the deed was never recorded. Would that be a  
7 violation of the closing instructions?  
8 MR. KOTT: Object to the form.  
9 A. Not literally. I suppose indirectly.  
10 Q. What do you mean by that?  
11 A. I don't see anywhere in these  
12 directions -- in these instructions that say: Record  
13 a deed. I do see in the instructions going to title  
14 insurance requirements where they say they require a  
15 full policy delivered within 30 days. And the way  
16 that a policy would be delivered in 30 days is if the  
17 deed was recorded since that presumably was a  
18 requirement in our commitment.  
19 Q. Okay. Nancy, I'll just show you this.  
20 (Koch-5, Final Judgment, is received and  
21 marked for identification.)  
22 Q. Just to wrap up the stack, Nancy, that's  
23 been marked as Koch Number 5, which is a Final  
24 Judgment with the City of Asbury Park versus, as you  
25 see, Block 92, Lot 35, 138 Ridge Avenue. So even

Page 72

1 though the property had been sold by G.J.L. Limited  
2 to Rafael Bustos, Senior, as you see the deed was  
3 apparently never recorded, and, therefore, when the  
4 Monmouth -- or when Asbury Park foreclosed on the  
5 property it was in the name of G.J.L.  
6 So in this case when the deed was never  
7 filed at all, would that trigger coverage under the  
8 closing service letter?  
9 A. It could.  
10 Q. Okay. Why do you say "it could"?  
11 A. I mean, it depends on what the closing  
12 instructions were and what the claim is. I mean,  
13 there are any number of scenarios you could come up  
14 with where perhaps it would trigger a claim under the  
15 closing service letter.  
16 Q. If you could flip back to Exhibit 6A.  
17 That was the Commonwealth closing service letter. In  
18 this case with the -- having seen the closing  
19 instructions and having seen that the deed wasn't  
20 recorded, would this closing service letter that's  
21 Exhibit 6A provide coverage for the attorney's  
22 failure to comply with the written closing  
23 instructions?  
24 MR. KOTT: Objection to the form.  
25 A. I honestly don't know. I don't know.

Page 73

1 Q. Because each claim is  
2 situation-specific?  
3 A. Yeah, and, you know, I am not a claims  
4 counsel anymore so it's been a long time since I've  
5 done claims. I mean, I suppose. I don't know.  
6 Q. Okay. I have some red writing of the  
7 things I forgot to ask you. Other than your counsel,  
8 I don't want you to divulge any discussions, did you  
9 speak to anyone to prepare for the deposition today?  
10 A. No.  
11 Q. I think Donna Sullivan when she  
12 testified on behalf of Commonwealth, she had -- did  
13 she speak to you to prepare for that deposition?  
14 A. She might have called me, yes.  
15 Q. What did you talk about?  
16 A. No recollection.  
17 Q. And then --  
18 A. I'm sorry, I do have a recollection. We  
19 talked about underwriting memoranda and where they  
20 would have been in the Parsippany office. That's one  
21 thing we talked about.  
22 Q. What did you recall about that?  
23 A. When I was there we maintained binders  
24 that kept all of the underwriting memoranda from  
25 probably the beginning of time chronologically. We

19 (Pages 70 to 73)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 74	Page 76
<p>1 also kept a set alphabetically in what we called the</p> <p>2 Legal A to Z, which was a set of lateral files so...</p> <p>3 Q. Were they still there when you left in</p> <p>4 2009?</p> <p>5 A. I believe they were.</p> <p>6 Q. And then Mr. Agel had said, I think I</p> <p>7 told you earlier, that he thought he had</p> <p>8 conversations with you throughout 1996, '97 relating</p> <p>9 to the properties that eventually were at issue in</p> <p>10 this litigation. Do you recall when those</p> <p>11 conversations started --</p> <p>12 MR. KOTT: Object to the form.</p> <p>13 Q. -- with Mr. Agel?</p> <p>14 MR. KOTT: Object to the form.</p> <p>15 A. I don't even recall the conversations.</p> <p>16 I'm sorry.</p> <p>17 Q. Okay. Would he call you on -- other</p> <p>18 than these properties, which I know you don't even</p> <p>19 know what the properties are, but would he call you</p> <p>20 on a regular basis or how would you categorize your</p> <p>21 discussions with him?</p> <p>22 A. As needed. If he needed my advice on</p> <p>23 something he would call me.</p> <p>24 Q. Were they always initiated by Coastal</p> <p>25 Title?</p>	<p>1 to get approval to insure.</p> <p>2 Q. Who was that memo sent to?</p> <p>3 A. Agents and offices.</p> <p>4 Q. Did it also list Walsh Securities?</p> <p>5 A. It could have.</p> <p>6 Q. Okay. But you're not sure?</p> <p>7 A. I am not positive. I think it could</p> <p>8 have, yes.</p> <p>9 Q. And then earlier, and I don't know if</p> <p>10 this is a business thing, but what dollar amount is</p> <p>11 determined to be a major claim, if it's something</p> <p>12 that's --</p> <p>13 A. I don't know. I mean, I think I</p> <p>14 remember the manual saying 100,000, but that's only</p> <p>15 because I think that's what that manual says.</p> <p>16 Q. In '97?</p> <p>17 A. Yeah, I don't know.</p> <p>18 Q. What I have, Nancy, are three documents,</p> <p>19 they're title insurance commitments. It's for a</p> <p>20 separate property, not for the 138 Ridge, but before</p> <p>21 we were discussing how Coastal Title would issue a</p> <p>22 file number without an A or just a number which was</p> <p>23 on the purchase and then a -- the same number with</p> <p>24 the letter A afterwards, and I would like you just to</p> <p>25 take a look at those two. And they have been</p>
Page 75	Page 77
<p>1 A. Always is a lot. I mean I'm sure I</p> <p>2 called him.</p> <p>3 Q. Mostly?</p> <p>4 A. Mostly they were initiated by Bob, sure.</p> <p>5 Q. Okay. And then I think earlier you said</p> <p>6 you looked at a memo from Commonwealth about not</p> <p>7 doing business with the players you said in preparing</p> <p>8 for the deposition. Who was the drafter of that</p> <p>9 memo? Do you recall?</p> <p>10 A. I think it was me.</p> <p>11 Q. When was it from?</p> <p>12 A. I don't remember.</p> <p>13 Q. Who did it -- or what was the substance</p> <p>14 of it?</p> <p>15 MR. KOTT: Excuse me. I'm late with my</p> <p>16 objection. I objected to one of the earlier</p> <p>17 questions, about three or four, because I'm not sure</p> <p>18 she testified earlier that they do not do business</p> <p>19 with Walsh but whatever she testified to earlier.</p> <p>20 Q. I think you said --</p> <p>21 A. I know what the memo said.</p> <p>22 Q. If you can give me the substance.</p> <p>23 A. It basically said if they had</p> <p>24 transactions involving certain parties, and I know</p> <p>25 one was Cristo, they had to call my office in order</p>	<p>1 previously marked, as you see. The first document is</p> <p>2 King Exhibit 3. That was from the deposition of</p> <p>3 Lorraine King. And it's a commitment letter dated</p> <p>4 June 16, 1996 for file number CT 17767. What Mr.</p> <p>5 Agel -- actually the second document is King Exhibit</p> <p>6 4, which is a title insurance commitment, and the</p> <p>7 file number is CT 17767(A), and the commitment date</p> <p>8 is June 16, 1996 and it's for the -- they're both for</p> <p>9 the same property, which is 1017-1019 Bangs Avenue.</p> <p>10 What Mr. Agel had testified to was that the first</p> <p>11 document, which is King Exhibit 3, was actually</p> <p>12 prepared for the purchase of the property by Cristo</p> <p>13 Property, and as you see it says in paragraph three</p> <p>14 it's fee simple interest, owned on June 16, 1996 by</p> <p>15 Norman and Arline Freidman, husband and wife. Yet on</p> <p>16 the second commitment, which is King Exhibit 4, also</p> <p>17 dated June 16, 1996 it says that the property is</p> <p>18 owned by Cristo Property Management by deed from</p> <p>19 Norman Freidman and Arline Freidman.</p> <p>20 And in your experience have you come</p> <p>21 upon, while at Commonwealth, any commitment similar</p> <p>22 to this where there's a commitment for the same piece</p> <p>23 of property at the same day with two different</p> <p>24 owners?</p> <p>25 A. I don't remember seeing any from another</p>

20 (Pages 74 to 77)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 78	Page 80
<p>1 agent.</p> <p>2 Q. Do you recall discussing these during</p> <p>3 the investigation that you did?</p> <p>4 A. With Bob?</p> <p>5 Q. With Bob Agel.</p> <p>6 A. Sorry. I don't remember specifically</p> <p>7 discussing it with him during this investigation. I</p> <p>8 might have but...</p> <p>9 Q. Did you speak to anybody in Commonwealth</p> <p>10 about this?</p> <p>11 A. Yes.</p> <p>12 Q. And who did you talk to about the</p> <p>13 dueling commitments, I'll call them?</p> <p>14 A. Probably claims, the claims department,</p> <p>15 somebody over there. Probably with Rick Wilson who</p> <p>16 was my boss.</p> <p>17 Q. What was his position?</p> <p>18 A. He was either division or regional</p> <p>19 manager, and I don't know which one. I don't</p> <p>20 remember which word they used.</p> <p>21 Q. What was the substance of those</p> <p>22 conversations with Mr. Wilson?</p> <p>23 A. I was just explaining to him what I had</p> <p>24 found in those files.</p> <p>25 Q. Was this something -- I won't say</p>	<p>1 would be handled on the files without the As. And I</p> <p>2 think he agreed that the bank then wouldn't know if</p> <p>3 there were any problems with the title.</p> <p>4 Was that outside the normal course of</p> <p>5 how Commonwealths agents did business?</p> <p>6 A. Yes.</p> <p>7 MR. McGOWAN: I don't really have</p> <p>8 anything. I will have one or two if you want to</p> <p>9 think about what you want to do.</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
Page 79	Page 81
<p>1 normal, but outside the ordinary course of how</p> <p>2 business was usually conducted?</p> <p>3 A. Yes.</p> <p>4 Q. And then one other document I would like</p> <p>5 you to take a look at. We had marked it as King</p> <p>6 Exhibit 7. It's a -- it's the actual deed from July</p> <p>7 25th, it's dated, 1996, as you see at the top from</p> <p>8 Norman and Arline Freidman to Cristo Property for the</p> <p>9 sale of 1017-1019 Bangs Avenue for 28,000.</p> <p>10 Do you know why the title commitment</p> <p>11 that's King Number 4 would say that the property was</p> <p>12 owned by Cristo Property Management on June 16, 1996</p> <p>13 when they didn't get the property deeded to them</p> <p>14 until July 25, 1996?</p> <p>15 A. I don't have a good explanation for</p> <p>16 that.</p> <p>17 (A discussion takes place off the</p> <p>18 record).</p> <p>19 Q. One of the things that Mr. Agel had</p> <p>20 said, the reason he used the two different</p> <p>21 commitments, the CT 17767 in King-3 and the CT</p> <p>22 17767(A) in King-4, was to avoid confusion so that</p> <p>23 the mortgage bank would get the commitments with the</p> <p>24 As, which were clean commitments, and then the actual</p> <p>25 problems or what needed to be cleaned up on the title</p>	<p>1 CROSS-EXAMINATION BY MR. McGOWAN:</p> <p>2 Q. You were provided in preparation for</p> <p>3 today's deposition with the deposition transcripts of</p> <p>4 Mr. Agel's testimony?</p> <p>5 A. Yes.</p> <p>6 Q. And he was there for I think two days.</p> <p>7 Did you have both of those transcripts?</p> <p>8 A. I had several volumes.</p> <p>9 Q. My recollection is, and I think you were</p> <p>10 asked about this earlier, is that Mr. Agel had</p> <p>11 indicated at one point or another during -- while</p> <p>12 these transactions were going on he had called you up</p> <p>13 and sort of explained to you what was happening and</p> <p>14 you told him to just continue processing in the way</p> <p>15 he had been. That at least is my recollection of his</p> <p>16 testimony. Do you recall reading that in the</p> <p>17 transcripts?</p> <p>18 A. I do recall reading that.</p> <p>19 Q. Do you recall that -- those types of</p> <p>20 conversations with Mr. Agel?</p> <p>21 A. I do not.</p> <p>22 Q. Can you sit here today and tell me that</p> <p>23 that didn't occur, or are you simply saying you don't</p> <p>24 recall it?</p> <p>25 A. I can't say that he never spoke to me.</p>

21 (Pages 78 to 81)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59



N. KOCH

Page 82

1 I can tell you it surprised me that that was the  
2 content of the conversation.  
3 Q. When is the first time you recall  
4 becoming aware that these transactions involved what  
5 you referred to as flips?  
6 A. I don't remember.  
7 Q. Was it before you went down and actually  
8 physically looked at the files?  
9 A. Yes.  
10 Q. It was. Okay. And how did you become  
11 aware of it? Forgetting about when, but how did you  
12 become aware that these transactions involved what  
13 you referred to as flips?  
14 A. I don't remember.  
15 Q. Your indication was there was a time  
16 when some sort of memo went out that said: We are no  
17 longer doing flips from a title insurance standpoint?  
18 A. We definitely put something out. I  
19 don't remember whether it was: These are the red  
20 flags of fraud, flip-style transactions, or whether  
21 we said we're not doing flips.  
22 Q. All right. As a practical matter though  
23 I think your testimony was, whether or not some sort  
24 of official edict had been issued, as a practical  
25 matter you all were against insuring flips. Is that

Page 83

1 correct?  
2 A. Yes.  
3 Q. Had that always been the case?  
4 A. Probably not.  
5 Q. Do you know why there was a  
6 disinclination on the part of Commonwealth to have  
7 title insurance transactions involving flips?  
8 A. Because many of them appeared to be  
9 fraudulent or questionable.  
10 Q. Okay. Other than these transactions  
11 that were running through Coastal Title Agency, back  
12 at the same period of time did you have another title  
13 agency that used Commonwealth in Monmouth County back  
14 in the late '90s?  
15 A. Yes.  
16 Q. Do you know whether or not that other --  
17 how many?  
18 A. For Commonwealth? The brand  
19 Commonwealth?  
20 Q. Yes.  
21 A. In Monmouth County?  
22 Q. Yes.  
23 A. I mean, I can think of one off the top  
24 of my head because they're in Freehold. I'm sure  
25 that there were -- there was at least one other.

Page 84

1 Q. My point is: Two or three others  
2 besides Coastal?  
3 A. Yes.  
4 Q. Were any of them involved in  
5 transactions that had flips at or about the same  
6 period of time, if you know?  
7 A. I don't know.  
8 Q. And Mr. Magnanini asked you this before.  
9 You weren't familiar with any of the names involved  
10 here, were you, like Cristo Property Management?  
11 From years passed I am talking about.  
12 A. Prior to '96?  
13 Q. Prior to all this.  
14 A. No.  
15 Q. So Gary Grieser and Kane and none of  
16 those names mean anything to you from beforehand?  
17 A. I don't think so, no.  
18 Q. All right. I have nothing else.  
19 CROSS-EXAMINATION BY MR. KOTT:  
20 Q. You said in response to one of Mr.  
21 McGowan's questions, and I am going to paraphrase  
22 what you said, that you were surprised about what Mr.  
23 Agel said in his deposition that he said that was a  
24 conversation he had with you. Do you remember that  
25 testimony?

Page 85

1 A. Yes.  
2 Q. Why were you surprised when you read  
3 what Mr. Agel said his conversation was with you?  
4 A. I knew at that point in time that we  
5 were not approving these types of flips because we  
6 were worried about them, and it would surprise me  
7 that I would say: It sounds like you're doing the  
8 right thing.  
9 Q. Thank you, I have no further questions.  
10 REDIRECT EXAMINATION BY MR. MAGNANINI:  
11 Q. I want to follow up one other thing.  
12 Mr. Agel said he thought he received a letter from  
13 Commonwealth about the Walsh Securities lawsuit and  
14 he said it was a threatening letter, threatening some  
15 sort of potential litigation, and I asked him what  
16 happened to it, and he said he had called someone at  
17 Commonwealth and it had gone away.  
18 Did you have any involvement with  
19 sending out a letter to Coastal about -- or after the  
20 Walsh Securities litigation was initiated, I'll say?  
21 A. I would have been consulted on it. You  
22 know, if claims thought that we should go back  
23 against the agent on this claim, the claims  
24 department would have consulted with me. Because of  
25 the nature of this claim it would have been above me

22 (Pages 82 to 85)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59



N. KOCH

Page 86

1 also. My boss and his bosses would have also been  
 2 involved. I don't remember the specifics of it, but  
 3 I know that we had that conversation and I do  
 4 remember Bob going over my head on it.  
 5 Q. Okay. So he did receive a letter?  
 6 A. I think he did. I don't specifically --  
 7 I know that he was very angry and went to Ron in  
 8 Pittsburgh and...  
 9 Q. Who is Ron?  
 10 A. Ron Owen was a senior vice president,  
 11 upper level manager.  
 12 Q. And did you have any discussions with  
 13 Ron or --  
 14 A. I don't know if I spoke to Ron or if  
 15 Rick did. I don't know.  
 16 Q. When you said you spoke to Mr. Wilson  
 17 after your investigation, did you have any  
 18 recommendations or give him any -- your views on what  
 19 you had seen?  
 20 A. I think it was just factual. I think at  
 21 that point in time I was telling him what I was  
 22 seeing in the files. You know, what I had seen and I  
 23 think that was it.  
 24 Q. I don't think I have anything else.  
 25 Thank you very much.

Page 87

1 A. You're welcome.  
 2 MR. KOTT: Mr. Magnanini or his office  
 3 will be the custodian of the exhibits from today's  
 4 deposition.  
 5 MR. MAGNANINI: We will send those  
 6 around as per our usual agreement.  
 7 (The deposition is concluded at 2:16  
 8 p.m.)  
 9  
 10  
 11  
 12 \_\_\_\_\_  
 13 NANCY KOCH  
 14 Subscribed and sworn to before me  
 15 this \_\_\_\_ day of \_\_\_\_\_, 2010.  
 16  
 17  
 18 \_\_\_\_\_  
 19 Notary Public  
 20  
 21  
 22  
 23  
 24  
 25

Page 88

1 CERTIFICATE.  
 2  
 3 I, JANET BAILYN, a Notary Public and  
 4 Certified Court Reporter of the State of New Jersey,  
 5 do hereby certify that prior to the commencement of  
 6 the examination NANCY KOCH was duly sworn by me to  
 7 testify the truth, the whole truth and nothing but  
 8 the truth.  
 9 I DO FURTHER CERTIFY that the foregoing  
 10 is a true and accurate transcript of the testimony as  
 11 taken stenographically by and before me at the time,  
 12 place and on the date hereinbefore set forth.  
 13 I DO FURTHER CERTIFY that I am neither a  
 14 relative nor employee nor attorney nor counsel of any  
 15 of the parties to this action, and that I am neither  
 16 a relative nor employee of such attorney or counsel,  
 17 and that I am not financially interested in the  
 18 action.  
 19  
 20 \_\_\_\_\_  
 21 Notary Public of the State of New Jersey  
 22 My commission expires February 3, 2013  
 23 License No. XI00970  
 24  
 25 Date: November 12, 2010

23 (Pages 86 to 88)

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

bf5f60ac-c450-452f-a5eb-a31816b35d59

N. KOCH

Page 1

A				
<b>able</b> 31:18 63:16 <b>above-entitled</b> 2:2 <b>accommodation</b> 47:15 <b>account</b> 33:21 39:3 67:22 68:15 <b>accounted</b> 31:1 <b>Accounting</b> 34:14 <b>accurate</b> 88:10 <b>Acknowledgement</b> 29:3 <b>acknowledging</b> 29:8 <b>acquired</b> 7:8 25:13 25:15 60:8 <b>acquiring</b> 14:5 <b>acquisition</b> 13:8 <b>act</b> 11:23 53:7 <b>action</b> 1:2 43:22 88:15,18 <b>actively</b> 19:15 <b>actual</b> 26:1 79:6,24 <b>added</b> 41:18 55:14 <b>addressed</b> 48:13 65:4 <b>advice</b> 74:22 <b>affiliate</b> 24:22 <b>affirmative</b> 16:9 <b>Agel</b> 13:17,20 14:2 14:8 15:15,18 17:13 18:5 19:23 30:24 39:5 47:22 49:8 50:8,12 51:23 52:1,5,13 56:9,16 62:4 74:6 74:13 77:5,10 78:5 79:19 81:10 81:20 84:23 85:3 85:12 <b>Agel's</b> 13:24 17:14 17:16 22:22 56:4 81:4 <b>agency</b> 1:17 3:17	9:16 10:4 17:19 31:12 34:3,10 35:18 36:18,20 37:13 38:21 39:17 47:10 50:3,8,16 50:17 51:10 56:17 57:13,21 59:12 61:9 62:8,14 64:13 66:8,24 67:7 69:3 83:11 83:13 <b>Agency's</b> 69:21 <b>agent</b> 13:22,25 24:4 31:24 35:6 37:19 37:24,24 38:5,12 38:13,16,22 39:1 39:2,6,8,22 40:7,9 44:22,25 47:18 48:25 57:3 59:17 65:8,18 78:1 85:23 <b>agents</b> 8:19 9:11 14:12,18,23 16:5 24:1,7 31:18 34:18 41:6 47:13 47:14 65:11 66:16 76:3 80:5 <b>ago</b> 5:23 21:1 59:25 <b>agreed</b> 80:2 <b>agreement</b> 39:17 87:6 <b>ahead</b> 5:24 47:1 <b>Alfieri</b> 1:13 12:13 44:11,18 52:20 <b>allegations</b> 43:13 44:5,17 58:14 <b>alleged</b> 11:24 12:4 <b>alleges</b> 10:25 <b>allowed</b> 43:8 <b>allows</b> 53:7 <b>alphabetically</b> 74:1 <b>alter</b> 60:20 <b>America</b> 7:8,14,15 8:13,15	<b>amount</b> 27:2 37:14 39:16,19 48:24 67:7 76:10 <b>angry</b> 86:7 <b>answer</b> 6:13 12:10 14:12,17 46:17,18 <b>answered</b> 61:5 <b>answering</b> 18:14 21:3 34:25 <b>Anthony</b> 1:13,14 11:14 12:8 44:6 <b>anybody</b> 78:9 <b>anymore</b> 73:4 <b>apologize</b> 14:15 58:14 61:4 <b>apparently</b> 72:3 <b>appear</b> 5:13 19:17 <b>appeared</b> 19:12 83:8 <b>appears</b> 51:12 52:14 71:5 <b>application</b> 38:17 38:20 <b>appraisers</b> 10:24 <b>approval</b> 76:1 <b>approve</b> 54:7 <b>approved</b> 42:2,3,4 42:5,7 43:7 44:1,7 53:22,23 <b>approving</b> 85:5 <b>April</b> 47:9 <b>area</b> 9:9 38:18 <b>Arline</b> 77:15,19 79:8 <b>arose</b> 21:4 41:16 <b>arrange</b> 34:7 <b>Asbury</b> 51:4 66:12 71:24 72:4 <b>aside</b> 49:7 <b>asked</b> 5:13 29:24 34:20,24 35:4 49:5 58:19 81:10 84:8 85:15 <b>asking</b> 14:16 45:4	49:25 67:3 70:7 <b>Assets</b> 1:8,9 58:18 63:20 <b>assigned</b> 21:8 59:21 61:9 <b>assistant</b> 8:16,21 <b>associate</b> 8:9 <b>Association</b> 33:21 53:3,4 <b>assume</b> 6:9,13 13:18 21:11 26:14 28:17 33:10 34:11 <b>Assuming</b> 65:12 <b>attached</b> 48:21 <b>attorney</b> 7:19 12:17 41:22 42:2 43:7 43:25 44:23 45:1 45:20,24 46:2,2,6 47:15 48:10 65:7 65:12,17 68:19 88:14,16 <b>attorneys</b> 3:5,8,12 3:16 12:4 15:3 41:18,21,23 42:3 42:4,6,21,24 43:4 43:12,13,15 44:5 44:16,23 45:8,17 46:13 50:2 66:17 <b>attorney's</b> 72:21 <b>audit</b> 34:8,9,13 35:14 38:24 40:1 66:20 <b>auditing</b> 24:8,8 <b>auditor</b> 56:14 <b>auditors</b> 62:7 <b>audits</b> 56:12 62:8 66:23 <b>authorize</b> 45:2 <b>available</b> 17:21 <b>Avenue</b> 51:3 66:12 68:1 71:25 77:9 79:9 <b>avoid</b> 79:22 <b>aware</b> 52:15 82:4	82:11,12 <b>a/k/a</b> 1:7
				B
				<b>B</b> 4:7 45:18,21 62:25 63:16 64:19 64:25 65:6,16,20 <b>back</b> 9:15,20 28:5 31:10 36:1,6 38:10 43:11 45:11 46:16 49:14 50:17 61:2 70:2 72:16 83:11,13 85:22 <b>BAILYN</b> 2:3 88:3 <b>Bangs</b> 77:9 79:9 <b>bank</b> 79:23 80:2 <b>Banking</b> 54:4,5 <b>bankruptcy</b> 5:20 <b>basic</b> 6:5 <b>basically</b> 75:23 <b>basics</b> 6:19 <b>basis</b> 74:20 <b>Bates</b> 23:13 24:19 26:15 33:7 40:18 51:15 54:23 63:13 64:6 66:9 67:23 69:2,19 <b>becoming</b> 13:24 82:4 <b>began</b> 8:25 <b>beginning</b> 28:25 73:25 <b>behalf</b> 30:1 54:19 73:12 <b>believe</b> 12:6,10 17:17 18:3,5 23:14 26:10 30:4 42:20 47:4 48:25 50:3 55:17 61:3 71:1 74:5 <b>bell</b> 13:13 <b>BETTER</b> 1:19 <b>big</b> 24:11,12 <b>binder</b> 56:24 <b>binders</b> 73:23

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

N. KOCH

Page 2

<b>bit</b> 15:12 <b>Block</b> 71:25 <b>board</b> 56:2 <b>Bob</b> 15:22,25 17:13 17:14,16 18:3 22:21 34:22 35:20 49:5 75:4 78:4,5 86:4 <b>Bobs</b> 17:15 <b>Bob's</b> 17:12 <b>book</b> 34:21,25 <b>borrower</b> 48:23 <b>boss</b> 78:16 86:1 <b>bosses</b> 86:1 <b>bottom</b> 23:13 45:12 54:22 55:4 63:13 <b>Box</b> 3:15 <b>boxes</b> 49:17 <b>brand</b> 83:18 <b>break</b> 6:7,8 67:18 <b>bring</b> 24:2 68:23 <b>Brodo</b> 1:12 11:12 <b>broken</b> 48:25 <b>Brown</b> 1:12 11:8 <b>built</b> 47:9 <b>bulletin</b> 4:10,11 40:14,20 41:8,21 42:17,20 44:4 <b>bulletins</b> 41:2,5,23 <b>bureau</b> 53:2,6,8,9 53:11,13 54:1,2,3 54:13,24 <b>business</b> 23:3,6 35:21 36:3 44:25 45:4 75:7,18 76:10 79:2 80:5 <b>Bustos</b> 51:3 61:1,4 63:13,19 66:12 72:2 <b>buyer</b> 58:16 <b>buyers</b> 11:24 14:6 <b>buyer's</b> 65:17 <b>B-1</b> 64:21 <hr/> <b>C</b>	<b>C</b> 3:1 5:1,1 <b>Cairns</b> 15:7 <b>Calanni</b> 1:11 11:6 <b>call</b> 5:8 14:8 44:25 48:1 58:22 74:17 74:19,23 75:25 78:13 <b>called</b> 13:9 15:22 15:25 45:3 58:17 73:14 74:1 75:2 81:12 85:16 <b>calling</b> 35:6,9 61:25 <b>Camden</b> 7:25 <b>cancellation</b> 24:7 <b>Capital</b> 1:8,9 58:17 63:20 <b>care</b> 30:12 46:7 <b>case</b> 7:6 17:15 18:8 57:7 71:5 72:6,18 83:3 <b>categorize</b> 74:20 <b>caused</b> 45:16 <b>cc's</b> 48:12 <b>Center</b> 3:7 30:6 <b>certain</b> 37:14 75:24 <b>certainly</b> 36:1 69:9 <b>CERTIFICATE</b> 88:1 <b>Certified</b> 2:3 33:16 88:4 <b>certify</b> 88:5,9,13 <b>change</b> 31:3,4 57:1 57:5,6,6 <b>changed</b> 25:22 31:6 57:4,10 <b>Chapter</b> 5:20 <b>check</b> 38:21 68:16 68:18 <b>checked</b> 56:10,13 <b>checklist</b> 27:20 28:8 <b>checklists</b> 27:25 28:10 <b>checks</b> 68:20	<b>Cherry</b> 5:2 <b>chosen</b> 17:18 <b>chronologically</b> 73:25 <b>Cicalese</b> 1:14 12:9 37:13 44:6 45:4,7 65:10 <b>City</b> 71:24 <b>Civil</b> 1:2 <b>claim</b> 12:25 21:18 26:18,22,23 27:3 27:4 28:7,8,9,10 44:9 49:19 50:3 69:25 70:10,12,14 70:17 72:12,14 73:1 76:11 85:23 85:25 <b>claims</b> 4:9 8:20 9:11 10:5 16:18 16:22 17:1,5,6,8 18:10,12,14 20:21 21:8,21 22:7,10 22:12 23:12,19,22 26:11,13,19,20,20 26:21 27:6,22 29:2,3,8,10,15 32:1,4,18 35:25 40:12 43:21 46:14 46:23 48:20 49:19 50:18 70:16 73:3 73:5 78:14,14 85:22,23 <b>clean</b> 79:24 <b>cleaned</b> 79:25 <b>clear</b> 14:10 58:1 <b>Clerk</b> 68:18 <b>closed</b> 47:20 <b>closing</b> 23:2,5 30:3 30:21 31:11,18 37:11,12,14 39:9 41:22 42:23 43:4 43:8 45:16,20 46:3 48:23,25 51:1,10,24 53:19	54:18,22 55:3,12 55:15,21 56:22 57:11 58:16 61:3 65:7,10,12 66:16 67:7,11 69:17,18 69:20,23 70:8,14 70:21 71:4,7 72:8 72:11,15,17,18,20 72:22 <b>closings</b> 39:1,2 47:8 <b>Coastal</b> 1:17 3:17 20:4 29:21 31:11 33:6,25 34:3,10 35:14 36:4,11,18 36:22 37:6,13,19 37:24 39:5,23 45:9 46:12,21 47:10 49:3 50:3,8 50:16,17,21 51:10 56:17 57:12,21 58:20,23 59:11,19 59:21 61:9 62:8 63:5,15,21 64:13 66:8,16,24 67:6 67:17 68:7 69:3 69:21 74:24 76:21 83:11 84:2 85:19 <b>Coastal's</b> 20:13 60:4 69:10 <b>collecting</b> 34:16 <b>college</b> 8:1,2 <b>COM</b> 23:13,14 24:19 26:16 27:12 27:18 28:6,25 31:24 33:7 40:19 43:2 45:12 <b>come</b> 13:12 16:12 29:10 30:25 36:12 36:18 46:4 47:17 49:16 53:19 59:7 72:13 77:20 <b>coming</b> 5:10 <b>commencement</b> 88:5	<b>commencing</b> 2:7 <b>commission</b> 67:9 88:21 <b>commitment</b> 56:23 59:11,14,15,22,24 60:1,7 62:15 64:11 71:18 77:3 77:6,7,16,21,22 79:10 <b>commitments</b> 30:3 31:20 39:13 62:10 76:19 78:13 79:21 79:23,24 <b>Commonwealth</b> 1:15 3:9 6:25 7:4 7:7,8 9:1 13:22,25 14:21 16:21 17:5 20:16 21:7 22:10 23:8,9,12 24:21 24:24,25 25:4,13 25:14,14,22,23 26:5 29:4 30:1 31:4,13 33:6 34:8 35:9,16,18 36:3 37:17,19 38:13,16 39:6,17,22 40:11 43:16 44:12 45:9 48:6,9,13,20 49:2 49:6,18,22 50:25 53:15,17 54:17,21 55:12,18 56:11,12 56:18 57:20 59:3 59:8 60:2,3,6 61:2 61:15,17 62:13 64:6,8 66:5,7 67:8 67:14 69:1,17,25 70:10 72:17 73:12 75:6 77:21 78:9 83:6,13,18,19 85:13,17 <b>Commonwealths</b> 80:5 <b>Commonwealth's</b> 20:21 23:15 28:18
---	--	--	--	---

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

N. KOCH

Page 3

37:5 40:18 67:20 <b>Commonwealth-8</b> 61:6 <b>Commonwealth-9</b> 60:16 <b>communicate</b> 41:6 <b>companies</b> 12:22 13:23 14:5 24:23 25:16 53:25 54:9 60:22 <b>company</b> 5:2 6:24 7:9,16 13:8 21:17 22:4,5 24:22,24 25:15,17,19,24 40:2 48:14 53:10 53:12 54:20 <b>complaint</b> 5:17 50:1 <b>completed</b> 28:10,12 28:15 <b>completely</b> 19:9 <b>comply</b> 45:17,20 72:22 <b>computer</b> 31:19 41:10 57:10 <b>computers</b> 51:11 56:10 <b>computer-genera...</b> 31:5 <b>concerned</b> 14:4 19:20 <b>concerning</b> 15:18 <b>concluded</b> 32:14 87:7 <b>conclusion</b> 19:4,6 21:16,20,24 22:2 <b>Conditions</b> 53:20 55:9 <b>conduct</b> 16:21 28:1 <b>conducted</b> 48:3 67:1 79:2 <b>confusion</b> 52:3 79:22 <b>consist</b> 9:9 38:25	<b>consult</b> 6:11 <b>consulted</b> 85:21,24 <b>CONSULTING</b> 1:14 <b>contacting</b> 34:6 <b>content</b> 82:2 <b>Contents</b> 28:7 <b>Continental</b> 25:15 25:17,20,23 <b>continue</b> 20:19,21 35:22 45:16 81:14 <b>contract</b> 39:20,21 <b>contractual</b> 67:9 <b>conversation</b> 47:5 49:10 52:24 82:2 84:24 85:3 86:3 <b>conversations</b> 15:15,18 47:2 52:19 62:4,7 74:8 74:11,15 78:22 81:20 <b>convey</b> 58:16 <b>conveying</b> 58:10 63:19 <b>cooperation</b> 43:22 <b>copies</b> 18:6 22:21 30:2 32:6 <b>copy</b> 23:19,23 <b>corporate</b> 29:25 <b>Corporation</b> 60:24 <b>correct</b> 9:17 37:22 43:5 56:8 83:1 <b>correspondence</b> 32:23 68:10,11 <b>correspondent</b> 48:24 <b>cost</b> 39:25 40:1 <b>costing</b> 36:23 <b>costs</b> 39:22 67:13 <b>counsel</b> 6:12 8:16 8:22 9:3,5,14,15 9:17,21 10:4 17:6 21:8 22:7,25 23:16,22 27:22	28:8 29:11,15 32:1 40:18 73:4,7 88:14,16 <b>counsel's</b> 27:6 <b>counties</b> 62:22 <b>county</b> 62:24 68:16 68:18 83:13,21 <b>couple</b> 6:17 23:2 26:6 <b>course</b> 79:1 80:4 <b>court</b> 1:1 36:8 46:18 50:1 70:4 88:4 <b>coverage</b> 29:14 72:7,21 <b>credit</b> 38:21 <b>Cris</b> 34:6 <b>Cristo</b> 1:6 12:23 60:20,22 75:25 77:12,18 79:8,12 84:10 <b>criteria</b> 41:22 42:6 42:8,12,14,24 43:3,6,19,21 <b>CROSS</b> 4:2 <b>CROSS-EXAMI...</b> 81:1 84:19 <b>CT</b> 51:18 59:19 61:8,12 63:17 77:4,7 79:21,21 <b>CTB</b> 53:2 63:14 64:7,15,18,19,25 66:9 69:2 <b>CTP</b> 33:13 <b>custodian</b> 87:3 <b>customers</b> 47:15 <b>cut</b> 44:24 <b>Cuzzi</b> 1:14 10:22 <b>C-r-i-s</b> 34:6  <b>D</b> <b>DAP</b> 1:14 <b>date</b> 26:7,10 48:23 54:25 69:18 77:7 88:12,22	<b>dated</b> 4:10,10,11 23:20 33:2 40:14 40:20 42:17,21 48:11 51:1 55:19 55:20 63:11 69:19 77:3,17 79:7 <b>David</b> 3:6 27:15 37:10 <b>day</b> 19:8 77:23 87:14 <b>days</b> 71:15,16 81:6 <b>deadline</b> 57:5 <b>deal</b> 16:10 30:13 <b>dealing</b> 24:1 30:9 46:6 <b>dealt</b> 14:22 <b>December</b> 60:25,25 69:19 <b>decided</b> 25:19 <b>decision</b> 27:9 35:17 43:25 57:12 <b>decision-maker</b> 24:3 38:12 <b>declared</b> 5:19 <b>deed</b> 45:25 61:1 63:11,18,23 64:1 71:6,13,17 72:2,6 72:19 77:18 79:6 <b>deeded</b> 79:13 <b>deeds</b> 46:21 47:11 47:13 58:20,21,22 63:21,24 <b>defalcation</b> 27:20 <b>Defendant</b> 3:8,16 <b>Defendants</b> 1:20 3:12 <b>DeFeo</b> 11:25 <b>definitely</b> 82:18 <b>DEK</b> 13:5 <b>Delancy</b> 8:5 <b>delineate</b> 62:25 <b>delineated</b> 26:25 <b>delivered</b> 71:15,16 <b>denied</b> 32:19	<b>denominated</b> 51:23 <b>dep</b> 50:25 67:21 <b>department</b> 14:25 17:1 18:10,13,15 24:6,11 26:20 36:21 54:4,5 70:16 78:14 85:24 <b>depended</b> 59:17 <b>dependent</b> 66:2 <b>depends</b> 41:9 43:20 65:22 72:11 <b>deposed</b> 6:1 13:17 <b>deposition</b> 1:5 5:23 6:6 22:22 48:8 54:17 73:9,13 75:8 77:2 81:3,3 84:23 87:4,7 <b>description</b> 4:8 59:7,10 61:11 64:18 68:16 <b>designated</b> 53:1 <b>designation</b> 33:17 33:18 63:7 <b>details</b> 26:17 58:5 <b>determination</b> 27:7 <b>determined</b> 26:21 76:11 <b>deviation</b> 54:11,12 <b>DiBENEDETTO</b> 1:11 11:1 <b>differences</b> 55:7 <b>different</b> 14:9 52:7 55:22 57:11 59:22 62:21,22 77:23 79:20 <b>Dilts</b> 8:5,11 <b>DIRECT</b> 4:2 5:5 <b>directions</b> 71:12 <b>directly</b> 26:20 <b>disciplinary</b> 43:22 <b>discuss</b> 14:9 <b>discussed</b> 20:1 48:2 61:13 63:20 <b>discussing</b> 76:21
--	--	--	---	---

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400



78:2,7 <b>discussion</b> 13:15 16:16 19:2 20:10 25:10 28:22 36:15 40:4 46:20 47:22 50:7 51:22 60:13 79:17 <b>discussions</b> 47:3 50:12 52:6 73:8 74:21 86:12 <b>disinclination</b> 83:6 <b>DISTRICT</b> 1:1,1 <b>division</b> 9:3,5,14 78:18 <b>divulge</b> 73:8 <b>document</b> 23:11 40:17 42:10 48:19 64:24 66:13 68:4 69:1,7,13 77:1,5 77:11 79:4 <b>documentation</b> 18:1 46:3 <b>documents</b> 6:17 15:10 18:23 22:15 22:17 23:1 30:9 32:14 46:21 47:8 47:14,19 50:21 56:17,20 59:20 63:17 68:2 76:18 <b>doing</b> 23:3,6 31:9 33:23 61:16 75:7 82:17,21 85:7 <b>dollar</b> 27:2 76:10 <b>domestic</b> 25:17 <b>Donna</b> 1:17 11:25 15:8 22:21 29:24 48:8,14 73:11 <b>Donozo</b> 13:12 <b>double</b> 43:18 <b>Douglas</b> 8:2 <b>drafted</b> 41:7 <b>drafter</b> 75:8 <b>DRD</b> 1:2 <b>dueling</b> 78:13	<b>duly</b> 5:3 88:6 <b>D&amp;Sons</b> 13:9 <b>D'Apolito</b> 1:14 11:14 <b>D-i-l-t-s</b> 8:5 <b>D/B/A</b> 1:18 <hr/> <b>E</b> <b>E</b> 3:1,1 4:7 53:21 63:17,23 <b>earlier</b> 5:18 51:9 52:25 57:20 58:19 74:7 75:5,16,18 75:19 76:9 81:10 <b>early</b> 13:7 <b>easement</b> 16:10 <b>economic</b> 24:6 <b>Ed</b> 37:10 <b>edict</b> 82:24 <b>edification</b> 33:12 <b>Edison</b> 3:16 <b>edition</b> 26:7,10 <b>EDWARD</b> 3:10 <b>effect</b> 32:23 <b>effort</b> 46:5 57:18 <b>ego</b> 60:20 <b>Eight</b> 59:5,6 <b>either</b> 5:17 12:1 37:12 46:22 52:20 57:6 60:22 78:18 <b>either/or</b> 27:5 <b>electronic</b> 31:17 32:7 67:25 <b>employee</b> 11:15 88:14,16 <b>employer</b> 7:9 <b>encroachment</b> 16:10 <b>ENGLISH</b> 3:6 <b>entail</b> 8:17 <b>entities</b> 52:4,15 <b>entitled</b> 23:12 24:23 28:7 43:3 <b>entity</b> 25:25 26:2 53:9 58:17	<b>Epp</b> 13:12 <b>escrow</b> 39:3 <b>ESQ</b> 1:12,13,13,14 3:3,6,10,14 <b>Esquire</b> 33:13 48:14 <b>estate</b> 43:24 58:12 <b>etcetera</b> 62:25 <b>Ethel</b> 3:15 <b>evaluations</b> 28:10 <b>Evaluation/File</b> 28:7 <b>event</b> 47:12 <b>events</b> 5:16 68:15 <b>eventually</b> 74:9 <b>exact</b> 8:24 9:3 58:5 <b>exactly</b> 21:2,5 29:23 <b>exam</b> 67:15 <b>examination</b> 5:5 85:10 88:6 <b>examine</b> 39:15 <b>examples</b> 45:22 <b>exceptions</b> 65:3 <b>Exclusions</b> 53:21 55:9 <b>Excuse</b> 46:25 49:21 53:23 75:15 <b>exhibit</b> 23:11 27:12 27:14,15,16,17,19 28:6,7 42:20 43:11 50:25 54:18 54:21 55:4,8,13 55:18,20 56:7 57:20 59:15 60:23 61:2,2,5,10 64:6,8 66:5,7 67:21 68:14 69:1 72:16 72:21 77:2,5,11 77:16 79:6 <b>exhibits</b> 60:17 87:3 <b>exist</b> 30:14 <b>expect</b> 22:8 34:15 <b>experience</b> 33:21	38:23 43:21 45:16 77:20 <b>expires</b> 88:21 <b>explained</b> 81:13 <b>explaining</b> 78:23 <b>explanation</b> 79:15 <hr/> <b>F</b> <b>F</b> 2:6 3:4 55:10,13 55:14 56:7 <b>fact</b> 5:13 <b>factfinding</b> 29:18 <b>factor</b> 57:12 <b>factual</b> 86:20 <b>fail</b> 45:17 46:3 <b>failed</b> 45:20 <b>fails</b> 45:24 <b>failure</b> 72:22 <b>familiar</b> 10:11,23 11:7,9,13 13:2,18 84:9 <b>familiarity</b> 10:10 <b>family</b> 25:22 <b>fax</b> 32:10,12 <b>faxed</b> 32:9 <b>February</b> 88:21 <b>federal</b> 50:1 <b>fee</b> 67:11 68:20 77:14 <b>feel</b> 6:7 <b>fellow</b> 10:11 <b>felt</b> 35:22 <b>Fidelity</b> 1:16 3:12 23:7 54:19 55:3,8 55:19 <b>field</b> 41:16 <b>fifth</b> 45:15 <b>figure</b> 27:24 63:16 <b>file</b> 51:14,18 52:2 59:18,21 61:7,11 62:23 66:21,22 69:10,11,12 76:22 77:4,7 <b>filed</b> 5:20 50:1 70:14 72:7	<b>files</b> 17:16,17,23,24 18:1,4,7,8,12 19:7 19:10,17,21 20:13 20:15 29:20,22 39:4 49:5,16,17 50:20 51:17 57:22 58:22 63:21 68:8 69:21 70:21 74:2 78:24 80:1 82:8 86:22 <b>filing</b> 48:2 54:4,11 54:12 68:20 <b>filings</b> 53:8 <b>Final</b> 4:12 71:20,23 <b>financed</b> 14:7 <b>financially</b> 88:17 <b>financials</b> 57:16 <b>find</b> 49:18,24 <b>findings</b> 18:20 <b>fine</b> 5:9 28:3 67:4 <b>firm</b> 8:6 <b>first</b> 8:14 13:20 16:18 24:19 26:19 32:2 35:5 45:12 49:18 51:14 54:22 62:23 64:15 66:9 67:23,24 77:1,10 82:3 <b>five</b> 10:24 24:15 <b>flags</b> 61:21 82:20 <b>flip</b> 19:13,18 27:11 28:5 45:11 58:2 61:2,15 62:1 72:16 <b>flipped</b> 52:11 63:6 <b>flipping</b> 43:10 <b>flips</b> 19:14 61:17 62:9 82:5,13,17 82:21,25 83:7 84:5 85:5 <b>flip-style</b> 82:20 <b>follow</b> 69:24 85:11 <b>followed</b> 70:15 <b>following</b> 24:22
---	---	---	--	---



N. KOCH

Page 5

<b>follows</b> 5:4 <b>foreclosed</b> 72:4 <b>foregoing</b> 88:9 <b>forenoon</b> 2:8 <b>Forgetting</b> 82:11 <b>forgot</b> 73:7 <b>form</b> 14:13 37:20 38:17,20 41:13 47:1 49:22 51:8 53:8 54:7,8 57:1 60:3 63:25 68:21 70:11 71:8 72:24 74:12,14 <b>formal</b> 60:1 <b>format</b> 61:20 <b>formed</b> 25:18 <b>former</b> 11:15 <b>forms</b> 30:22,23 31:5,5,12 34:14 39:7,25,25 53:8 53:22 54:3 56:13 57:4,7,9 <b>forth</b> 88:12 <b>found</b> 44:24 47:6 78:24 <b>four</b> 3:7 12:3 24:14 43:12 75:17 <b>fourth</b> 24:23 <b>four-page</b> 48:19 <b>FOX</b> 3:10 <b>frame</b> 14:18 34:20 46:22 <b>Franco</b> 34:6 <b>fraud</b> 5:17 10:25 27:3 44:17 58:15 61:22 82:20 <b>fraudulent</b> 83:9 <b>free</b> 6:7 <b>Freehold</b> 20:13 83:24 <b>freelanced</b> 8:12 <b>Freidman</b> 77:15,19 77:19 79:8 <b>Frequently</b> 34:20	34:24 35:4 <b>front</b> 27:17 <b>full</b> 58:10 71:15 <b>funded</b> 37:11 <b>FUNDING</b> 1:8 <b>funds</b> 43:23 <b>further</b> 85:9 88:9 88:13 <hr/> <b>G</b> <hr/> <b>GARDENS</b> 1:19 <b>Gary</b> 1:10 10:17 58:18 84:15 <b>Gateway</b> 3:7 <b>general</b> 8:10 28:18 47:3 57:15 65:24 <b>generally</b> 15:21 16:5 30:12 57:2 <b>generated</b> 60:4 <b>geographic</b> 10:1 <b>getting</b> 11:23 14:10 24:10 35:21 68:24 <b>Ginger</b> 17:2 <b>give</b> 6:5 16:5,9 41:18 75:22 86:18 <b>given</b> 42:19 52:2,4 <b>glad</b> 38:2 <b>go</b> 5:23 7:23 8:1,11 38:10 47:1 50:17 67:14 85:22 <b>goes</b> 64:18 <b>going</b> 5:21 17:25 18:2 21:17,17 22:9 29:21 38:3 47:16 50:8 52:11 58:2 62:9 71:13 81:12 84:21 86:4 <b>good</b> 5:6,7 19:10,11 79:15 <b>graduate</b> 7:21 <b>grantor</b> 58:10 <b>Grieser</b> 1:10 10:17 58:19 84:15 <b>guess</b> 7:23 14:10 23:20 27:23 31:5	35:5 42:15 43:17 52:5 53:22 55:25 70:19 <b>G.J.L</b> 1:7 13:1 60:18,22 61:1,7 63:12 72:1,5 <hr/> <b>H</b> <hr/> <b>H</b> 4:7 5:1 <b>half</b> 38:23 <b>handle</b> 17:25 38:23 70:17 <b>handled</b> 21:6 57:1 80:1 <b>handling</b> 8:20 <b>handwriting</b> 64:14 <b>happen</b> 65:20 70:13 <b>happened</b> 18:7 44:22 65:19 85:16 <b>happening</b> 81:13 <b>happens</b> 22:5 32:14 <b>harder</b> 62:2 <b>HAYES</b> 3:10 <b>head</b> 83:24 86:4 <b>hearing</b> 35:12 <b>held</b> 2:5 8:15 9:19 <b>help</b> 15:11 <b>hereinbefore</b> 88:12 <b>Hill</b> 5:2 <b>Hills</b> 2:6 3:4 <b>hired</b> 15:8 <b>hit</b> 46:1 <b>hold</b> 9:13 28:3 70:1 <b>HOME</b> 1:8 <b>Homes</b> 1:19 13:5 <b>honestly</b> 72:25 <b>hundreds</b> 16:11 <b>husband</b> 77:15 <hr/> <b>I</b> <hr/> <b>idea</b> 16:5 26:9 55:25 60:11 68:22 <b>identification</b> 22:13 33:3 40:15	42:18 71:21 <b>identifies</b> 64:21 <b>II</b> 1:11 <b>implementing</b> 57:6 <b>include</b> 34:13 <b>included</b> 43:14 44:6,7,11,18 <b>including</b> 9:7 <b>INDEX</b> 4:1 <b>indicate</b> 25:21 <b>indicated</b> 81:11 <b>indication</b> 82:15 <b>indirectly</b> 71:9 <b>Industrial</b> 25:16 <b>industry</b> 7:12 37:9 <b>information</b> 18:18 21:19 29:20 <b>initial</b> 50:21 52:1 54:20 <b>initially</b> 14:4 <b>initials</b> 33:13 <b>initiated</b> 74:24 75:4 85:20 <b>instance</b> 35:5 47:18 <b>instructions</b> 45:18 45:21 69:17,21,24 70:6,6,8,15,21 71:4,7,12,13 72:12,19,23 <b>insurance</b> 1:15,16 1:17 3:9,12,13 5:2 6:23 7:1,9,16 13:23 16:9 24:22 24:24 25:15,16,17 25:23 30:2 37:9 37:18 48:14 52:7 53:1,6,24 54:5,5 54:20,24 55:21 59:8,11 61:10 64:11 71:14 76:19 77:6 82:17 83:7 <b>insure</b> 76:1 <b>insured</b> 22:6 49:1 61:17	<b>insurers</b> 53:7 <b>insuring</b> 19:14,16 82:25 <b>intelligible</b> 6:15 <b>intended</b> 24:21 <b>interest</b> 58:10,11 58:17 77:14 <b>interested</b> 88:17 <b>intervening</b> 45:25 46:1 <b>interview</b> 10:14,19 38:22 50:12 <b>interviewed</b> 11:3 <b>introduction</b> 58:14 <b>investigate</b> 17:5 <b>investigation</b> 10:5 11:20 12:23 16:22 16:25 17:8,11 18:12,23 19:5 20:19,21,25 21:6 21:10,21 22:2,16 29:1,14 32:13,15 32:18 46:23 47:7 48:2 70:18,23 78:3,7 86:17 <b>investigations</b> 21:12 28:1 <b>INVESTMENT</b> 1:9 <b>invoice</b> 66:7,21 67:5 <b>invoices</b> 66:15 <b>involve</b> 17:23 <b>involved</b> 10:5,25 11:23 12:5 16:24 17:8 24:4 44:17 46:14 49:6,6 58:3 82:4,12 84:4,9 86:2 <b>involvement</b> 5:16 13:24 18:11 20:25 27:8 29:13,17 30:9 32:3 50:18 85:18
---	---	---	--	--

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

N. KOCH

Page 6

<p><b>involving</b> 43:23 51:3 52:7 75:24 83:7 <b>Irene</b> 11:25 <b>issuance</b> 39:8 56:6 <b>issue</b> 31:18 37:23 39:12 52:8 56:10 62:10,15 74:9 76:21 <b>issued</b> 23:7 30:21 31:11 37:23 41:23 43:9 51:2 56:13 59:11,16 64:23 66:1,16 70:8 82:24 <b>issues</b> 16:11 35:13 37:18 41:16 52:7 <b>items</b> 65:2</p> <hr/> <p style="text-align: center;"><b>J</b></p> <hr/> <p><b>J</b> 3:10 <b>jackets</b> 31:16,21 <b>James</b> 1:11 11:8 <b>JANET</b> 2:3 88:3 <b>January</b> 7:2 63:11 <b>Jersey</b> 1:1 2:5,6 3:4 3:8,16 5:3 7:18 9:12,22,23 24:25 25:1,7,18,19,24 33:20 53:1,3,5 54:4,14,15,23 88:4,20 <b>job</b> 14:11,20 <b>John</b> 2:6 3:4 <b>joint</b> 58:22 <b>Journal</b> 43:22 <b>judgment</b> 4:12 16:8 71:20,24 <b>July</b> 4:12 26:11 42:17,21 44:4 48:11 50:1,4 79:6 79:14 <b>June</b> 77:4,8,14,17 79:12</p>	<p style="text-align: center;"><b>K</b></p> <hr/> <p><b>K</b> 5:1 <b>Kane</b> 1:10 10:12 12:21 52:15 60:21 60:21 84:15 <b>Kane's</b> 14:4 52:4 <b>keep</b> 67:3 <b>Kelly</b> 11:17 <b>Kennedy</b> 2:6 3:4 <b>kept</b> 69:11 73:24 74:1 <b>Kevin</b> 15:6 <b>kind</b> 6:18 16:2 34:17 38:11 <b>King</b> 63:24 71:2 77:2,3,5,11,16 79:5,11 <b>King-3</b> 79:21 <b>King-4</b> 79:22 <b>knew</b> 19:9 49:8 58:25 85:4 <b>know</b> 6:12,16 12:7 12:20,22 15:6,22 17:12,22 18:15 19:8 20:23 21:20 21:22,23,25 23:17 25:6 26:14 28:2,4 28:8,11 29:6 30:17,17,18 32:16 32:17 33:22,23 34:9,22 35:2,2 40:10 44:19,20 49:4,13,14 50:9 51:19 55:17,23,23 55:24 60:5 61:12 61:13,24 64:3 68:11 69:4,15 72:25,25 73:3,5 74:18,19 75:21,24 76:9,13,17 78:19 79:10 80:2 83:5 83:16 84:6,7 85:22 86:3,7,14 86:15,22</p>	<p><b>knowing</b> 31:23 <b>knowledge</b> 30:15 55:14 56:1 <b>knows</b> 38:2 <b>Koch</b> 1:6 4:3 5:6 23:11 40:17 42:20 43:11 44:3 45:11 71:23 87:12 88:6 <b>Koch-1</b> 4:9 22:12 27:16 28:6 <b>Koch-2</b> 4:10 33:2,5 <b>Koch-3</b> 4:10 40:14 <b>Koch-4</b> 4:11 42:17 <b>Koch-5</b> 4:12 71:20 <b>Kott</b> 3:6 4:5 6:9 14:13 16:15 27:13 28:3 36:5,14 37:20,25 42:9 46:16,25 49:21 53:23 56:20 63:25 68:21 70:1,5,11 71:8 72:24 74:12 74:14 75:15 84:19 87:2 <b>Kott's</b> 22:11</p> <hr/> <p style="text-align: center;"><b>L</b></p> <hr/> <p><b>lack</b> 43:21 <b>laid</b> 39:17 <b>Land</b> 1:15 3:9 6:25 24:21,24 25:23 33:20 48:13 53:1 53:3,5 54:24 59:8 <b>large</b> 27:3 <b>larger</b> 40:8 <b>Larry</b> 10:22 <b>late</b> 75:15 83:14 <b>lateral</b> 74:2 <b>Latham</b> 48:10 <b>law</b> 7:21,23 43:22 64:2 <b>LAWRENCE</b> 1:14 <b>lawsuit</b> 85:13 <b>lawyer</b> 17:20 37:12 69:23</p>	<p><b>Lawyer's</b> 35:20 <b>lead</b> 69:24 70:9,9 70:12 <b>learn</b> 16:18 <b>leave</b> 6:25 <b>left</b> 36:9 74:3 <b>legal</b> 4:10,11 40:14 40:20 41:2,4,7,21 42:17,20 44:4 74:2 <b>lender</b> 46:4,4 70:9 <b>lender's</b> 45:17,20 <b>letter</b> 4:10 33:2,5 33:24 37:15 43:9 48:9,16 50:4 51:1 51:4,9 53:19 54:19,22 55:3,8 55:13,19,20 61:3 67:11 72:8,15,17 72:20 76:24 77:3 85:12,14,19 86:5 <b>letters</b> 23:2,5 29:7 30:3,22 31:11,18 39:10 51:24 55:15 55:21 56:10,22 57:12 <b>level</b> 86:11 <b>liability</b> 21:16 <b>License</b> 88:21 <b>lien</b> 45:25 46:1 <b>limit</b> 52:3 <b>limited</b> 1:7 10:1 13:1 60:18 61:7 72:1 <b>line</b> 38:11 66:4 <b>lines</b> 58:7 <b>list</b> 10:9 41:19,21 41:24 42:21 43:12 43:15,17 44:7,7 44:12,15,19,23 45:1,8 76:4 <b>listed</b> 27:11,19 37:15 53:21 59:3 67:14</p>	<p><b>lists</b> 48:22,22,25 <b>literally</b> 71:9 <b>litigation</b> 22:18 35:25 52:8 57:16 74:10 85:15,20 <b>little</b> 8:8 27:16 37:9 <b>LLP</b> 3:3,6,10 <b>loan</b> 37:11 48:22,24 <b>loans</b> 40:11 49:1,4 <b>located</b> 7:17 <b>long</b> 5:23 6:13 8:21 20:19,20,20 43:6 43:16,20 66:4 73:4 <b>longer</b> 82:17 <b>long-winded</b> 14:14 58:13 <b>look</b> 17:17 19:10,11 23:10,16 33:4 35:6 39:2 40:16 48:7 49:4 57:19 60:15 61:6 63:10 64:5 66:6 68:13 68:14 69:4 76:25 79:5 <b>looked</b> 18:1 19:7,18 19:19 36:22 39:4 44:3,15 57:22 68:8 75:6 82:8 <b>looking</b> 29:22 71:4 <b>looks</b> 59:10 64:10 <b>Lorraine</b> 63:23 71:2 77:3 <b>loss</b> 27:2 <b>lot</b> 6:4 17:15 35:21 58:3 71:25 75:1 <b>Louisville</b> 30:8 <b>lower</b> 23:13 <b>loyal</b> 35:20 <b>L.L.C</b> 1:10</p> <hr/> <p style="text-align: center;"><b>M</b></p> <hr/> <p><b>M</b> 1:13 <b>Magnanini</b> 2:5 3:3 3:3 4:4 5:5,11</p>
---	---	--	---	---

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

N. KOCH

Page 7

13:14 19:1 28:21 38:2 84:8 85:10 87:2,5 <b>main</b> 62:23 <b>Maine</b> 9:7 <b>maintain</b> 36:24 <b>maintained</b> 73:23 <b>maintaining</b> 40:1 <b>major</b> 26:19,21,22 27:1,4 76:11 <b>making</b> 34:14 57:5 <b>managed</b> 26:2,3 62:7 <b>management</b> 1:6,9 1:10 38:8 58:18 60:20 77:18 79:12 84:10 <b>manager</b> 9:16 10:4 17:19 23:23,25 78:19 86:11 <b>managing</b> 24:6 <b>manner</b> 28:19 <b>manual</b> 4:9 22:10 22:12 23:12,19 24:20 26:13,17 28:25 34:21 35:4 76:14,15 <b>manuals</b> 34:16,17 34:22,23 35:1 <b>marked</b> 22:13 23:11 33:3,5 40:15,17 42:18,19 48:6 50:25 54:17 55:8 57:20 60:16 64:6,7 66:4,6 67:20 69:16 71:21 71:23 77:1 79:5 <b>Market</b> 3:11 <b>MARTIN</b> 3:14 <b>MAS</b> 1:2 <b>mass</b> 48:1 <b>matter</b> 2:2 10:13,18 18:16 41:20 82:22 82:25	<b>McCARTER</b> 3:6 <b>McGOWAN</b> 3:14 4:4 15:24 80:7 81:1 <b>McGowan's</b> 84:21 <b>mean</b> 16:10 20:20 21:3 35:9 58:8 71:10 72:11,12 73:5 75:1 76:13 83:23 84:16 <b>meaning</b> 25:18 <b>means</b> 23:15 <b>Mee</b> 5:12 <b>meet</b> 11:19 13:20 <b>meeting</b> 36:21 65:5 <b>member</b> 53:12 <b>members</b> 53:9 54:10 <b>memo</b> 23:4 57:3 75:6,9,21 76:2 82:16 <b>memoranda</b> 73:19 73:24 <b>memorandum</b> 23:3 23:6 <b>memos</b> 20:7 50:13 <b>mentioned</b> 5:11 <b>met</b> 42:6 43:6 64:22 <b>METHFESSEL</b> 3:14 <b>Michael</b> 1:13 12:13 44:17 <b>mind</b> 19:8 36:2 <b>mishandling</b> 43:23 <b>missing</b> 42:12 <b>misspoke</b> 27:13 <b>mistake</b> 27:18 56:3 56:4,6 <b>mistaken</b> 30:4 <b>moment</b> 42:9 <b>money</b> 37:14,18,21 38:6 39:16 52:16 67:6 <b>Monmouth</b> 68:16	68:18 72:4 83:13 83:21 <b>monthly</b> 36:20 <b>months</b> 8:12 47:20 <b>Moran</b> 17:2 <b>morning</b> 5:6,7 <b>mortgage</b> 45:25,25 62:21 79:23 <b>mortgages</b> 47:11 47:13 <b>Mulberry</b> 3:7 <b>MURPHY</b> 1:19 <b>mutual</b> 35:17 <hr/> <b>N</b> <hr/> <b>N</b> 3:1 5:1,1 <b>name</b> 10:23 12:7,20 13:4,6 25:20,22 72:5 <b>named</b> 10:11 11:1 <b>names</b> 10:9 13:11 84:9,16 <b>naming</b> 50:2,2,2 <b>Nancy</b> 1:6 4:3 5:8,9 5:10 18:8 22:10 22:15 27:21 28:25 33:4 36:9 38:7 40:16 42:19 45:11 49:25 50:24 52:25 54:16 57:18,20 60:15 63:10 64:5 64:8 66:5 67:20 69:16 71:19,22 76:18 87:12 88:6 <b>Nation</b> 26:4 60:8 <b>National</b> 1:8,16 3:13 5:2 6:23 30:6 <b>Nations</b> 1:15 3:12 <b>nature</b> 27:3 57:4,15 85:25 <b>need</b> 36:22 42:10 42:11 49:15 57:8 62:2 64:22 <b>needed</b> 29:19 74:22	74:22 79:25 <b>neither</b> 44:11 88:13 88:15 <b>never</b> 10:16 11:3 12:19 28:14 32:25 47:8 63:16 71:6 72:3,6 81:25 <b>New</b> 1:1,16,17 2:5 2:6 3:4,8,12,13,16 5:3 7:18 9:7,12,22 9:23 24:24,25 25:7,18,19,24 33:20 53:1,3,5 54:4,14,15,23 88:4,20 <b>Newark</b> 3:8 <b>newspaper</b> 11:2 <b>NJRB</b> 54:25 <b>non-approved</b> 41:21,23 42:7,21 43:14,17 44:12,19 44:23 45:1,8 <b>normal</b> 79:1 80:4 <b>normally</b> 21:13 <b>Norman</b> 77:15,19 79:8 <b>Notary</b> 2:4 5:4 87:18 88:3,20 <b>notes</b> 2:1 20:7 50:11 <b>notice</b> 17:21 29:3 44:10 48:20 <b>notified</b> 22:6 <b>November</b> 2:7 4:11 40:20 43:11 88:22 <b>NPC</b> 30:5,10,13,14 32:1,4,6 57:9 <b>NPC's</b> 30:19 <b>number</b> 4:8 12:21 27:17 31:1 40:17 44:3 45:12 47:7 48:6,23 51:14,18 52:2 59:14,15,18 59:22,23 61:8,12	62:10,11,15,16,20 62:23 63:10 69:17 71:23 72:13 76:22 76:22,23 77:4,7 79:11 <b>numbers</b> 37:7 59:24 60:1,7 <b>Numerous</b> 46:10 46:11 <hr/> <b>O</b> <hr/> <b>O</b> 5:1 <b>Oakwood</b> 1:7 13:3 <b>object</b> 14:13 37:20 46:25 49:21 70:5 70:11 71:8 74:12 74:14 <b>objected</b> 75:16 <b>objection</b> 38:1 63:25 68:21 72:24 75:16 <b>objectionable</b> 21:14 43:18 <b>obtain</b> 21:19 32:1 39:12 <b>obtaining</b> 32:3 <b>occasionally</b> 15:23 16:1 38:9 45:2 46:2 <b>occur</b> 45:19 62:19 81:23 <b>October</b> 51:1 55:19 55:20 <b>odd</b> 37:9 58:7 59:1 <b>office</b> 2:5 7:17 17:12,14,16 22:11 39:25 70:25 73:20 75:25 87:2 <b>offices</b> 5:1 20:13,16 76:3 <b>official</b> 21:23 22:2 22:6 82:24 <b>Okay</b> 6:5,20 7:11 8:10,14 9:23 15:2 15:10 17:10 18:17
--	---	---	---	---

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

N. KOCH

Page 8

18:22,25 20:18 21:3 24:13 25:25 26:6 27:8,24 30:16,24 31:7,15 32:13 39:5,21 40:3 41:7,12 44:10 46:12 51:8 53:4 59:2,18 60:12 63:2 65:19 65:24 68:25 69:16 71:19 72:10 73:6 74:17 75:5 76:6 82:10 83:10 86:5 <b>Old</b> 5:1 6:23 <b>once</b> 18:12 39:5 70:14 <b>ones</b> 18:6 19:19 35:2 <b>operative</b> 26:13 <b>order</b> 27:4 64:22 75:25 <b>ordinary</b> 79:1 <b>organized</b> 14:21 <b>original</b> 18:6 <b>originally</b> 11:23 <b>Osis</b> 60:24 61:7 <b>outside</b> 79:1 80:4 <b>overhead</b> 39:24 40:2 <b>Owen</b> 86:10 <b>owned</b> 58:18 60:21 77:14,18 79:12 <b>owners</b> 77:24 <b>O'Neill</b> 11:17	<b>pages</b> 48:19 67:24 <b>paid</b> 37:18 39:16 40:6 67:6,8,12 <b>paper</b> 19:21 30:23 31:5,9,12,21 32:7 32:11 56:24 57:8 57:18 <b>paperwork</b> 47:12 <b>paragraph</b> 24:20 31:25 34:5 45:15 55:10,13,14 56:7 77:13 <b>paragraphs</b> 53:20 <b>paralegal</b> 63:24 64:2 <b>paraphrase</b> 84:21 <b>paraphrasing</b> 57:25 <b>parenthesis</b> 51:19 <b>Park</b> 51:4 66:12 71:24 72:4 <b>Parkway</b> 2:6 3:4 <b>Parsippany</b> 5:3 7:18 20:17,18 73:20 <b>part</b> 5:16 12:22 14:11,20 25:21 32:14 40:11 41:1 51:17 56:5 58:15 70:6,18 83:6 <b>partial</b> 58:4,8 <b>participation</b> 19:5 <b>particular</b> 57:1 71:5 <b>particularly</b> 37:15 <b>parties</b> 58:3 75:24 88:15 <b>partly</b> 17:18,19,20 <b>pass</b> 16:8 <b>passed</b> 84:11 <b>passing</b> 66:18 <b>pay</b> 37:13 52:23 <b>pending</b> 6:8 36:7 70:3	<b>Pennsylvania</b> 3:11 <b>people</b> 13:11 14:22 24:15 50:2 <b>Pepsny</b> 1:13,18 11:25 12:18 44:11 44:18 52:20,21 <b>percent</b> 58:11,16 63:19 <b>performed</b> 34:9 <b>period</b> 14:3 17:5 83:12 84:6 <b>periodic</b> 41:25 <b>periodically</b> 38:5 41:14 <b>peripheral</b> 21:2 <b>personally</b> 30:11 <b>Philadelphia</b> 3:11 <b>phone</b> 5:11 <b>photocopies</b> 67:16 <b>physically</b> 82:8 <b>piece</b> 77:22 <b>Pierson</b> 1:12 11:10 <b>Pittsburgh</b> 86:8 <b>place</b> 13:15 16:16 19:2 20:10 25:10 28:22 36:15 40:4 48:5 60:13 67:19 79:17 88:12 <b>Plaintiff</b> 1:4 3:5 <b>played</b> 36:1 <b>players</b> 23:4 75:7 <b>please</b> 6:15 <b>point</b> 10:3 17:9 19:13 20:16 21:10 25:20 36:21 49:15 52:14,14,21 70:14 81:11 84:1 85:4 86:21 <b>policies</b> 30:2,20,21 31:10,16 32:3,6 37:23,23 39:9,13 <b>policy</b> 28:19 31:16 31:24 32:1,9,11 37:14,18 61:15	64:22 65:3,25 71:15,16 <b>portion</b> 40:8 <b>position</b> 8:14 9:13 9:19 22:3,4,6 78:17 <b>positive</b> 25:13 32:20 76:7 <b>potential</b> 27:2 29:14 85:15 <b>practical</b> 82:22,24 <b>practice</b> 8:10 64:1 <b>preface</b> 14:14 <b>premium</b> 34:15 40:6 67:10 <b>preparation</b> 81:2 <b>prepare</b> 18:19 22:23 23:1 41:2 63:24 64:12 73:9 73:13 <b>prepared</b> 63:23 77:12 <b>preparing</b> 64:1 75:7 <b>president</b> 86:10 <b>presumably</b> 70:16 71:17 <b>previously</b> 13:17 50:24 64:7 66:6 77:1 <b>pre-sign</b> 38:24 <b>printout</b> 67:22,25 <b>prior</b> 5:17 47:20 54:16 84:12,13 88:5 <b>probably</b> 9:2 19:15 20:6 21:24 24:14 32:24 33:1 36:22 37:7 41:9,11 44:8 63:22 73:25 78:14 78:15 83:4 <b>problems</b> 14:10 35:13 45:16,19 46:13 79:25 80:3	<b>proceedings</b> 2:2 <b>process</b> 24:5 54:6 <b>processing</b> 26:18 30:6 81:14 <b>produce</b> 56:9 <b>produced</b> 22:10 23:15 26:12 40:18 41:11 51:9,16 63:17 69:3 <b>producing</b> 49:23 <b>professional</b> 33:16 33:18 <b>profitable</b> 37:2,3,6 <b>progress</b> 24:6 <b>prohibition</b> 65:24 <b>properties</b> 1:7 12:24 13:3,8 14:5 14:10 15:16 52:8 52:16,17 61:15 62:22 63:1,5 74:9 74:18,19 <b>property</b> 1:6,8,9 16:13 52:10,22,23 58:17,18 59:7 60:20,23 61:11 62:23,24 63:19 66:11 71:5 72:1,5 76:20 77:9,12,13 77:17,18,23 79:8 79:11,12,13 84:10 <b>prospect</b> 24:2 <b>protection</b> 5:20 30:3 31:11 37:15 39:9 <b>provide</b> 16:3 34:8 34:18 39:6 72:21 <b>provided</b> 9:10 22:23 31:13 51:7 81:2 <b>providing</b> 8:19 39:25 <b>Public</b> 2:4 87:18 88:3,20 <b>publication</b> 33:22
<b>P</b>				
<b>P</b> 3:1,1 <b>page</b> 4:8 23:14 24:19 26:15,16 28:25 31:24 42:12 45:12 48:15 51:15 54:23 59:6,10,14 61:8,10 64:15,18 64:24 66:9,10 68:13				



N. KOCH

Page 9

<p><b>published</b> 26:8  <b>pulling</b> 17:24  <b>purchase</b> 52:2,10  52:23 60:22 61:7  76:23 77:12  <b>purchased</b> 60:24  <b>purchasers</b> 11:23  <b>purchasing</b> 52:16  <b>purports</b> 40:21  <b>purpose</b> 27:20  30:19 41:4 64:19  65:1  <b>put</b> 27:18 43:16  61:19 82:18  <b>putting</b> 48:19  <b>p.m</b> 87:8</p> <hr/> <p><b>Q</b></p> <p><b>question</b> 6:8,13  18:22 21:14 24:18  31:23 35:1 36:5,7  42:1 43:18 49:22  52:5 54:21 56:19  61:5 70:2,3  <b>questionable</b> 83:9  <b>questions</b> 6:14  14:12,17,23 15:19  18:14 21:4 26:6  28:24 29:24 34:20  34:24 35:4 39:7  51:13 75:17 84:21  85:9  <b>quoting</b> 57:25</p> <hr/> <p><b>R</b></p> <p><b>R</b> 1:11 3:1,6,14  <b>Rafael</b> 51:3 72:2  <b>raised</b> 35:13  <b>random</b> 17:24  <b>rate</b> 53:8  <b>rating</b> 53:2,6,8,9,11  53:13 54:1,2,3,24  <b>read</b> 36:5,7 46:16  46:18 70:3 85:2  <b>reading</b> 81:16,18</p>	<p><b>real</b> 43:23 58:11  <b>realized</b> 52:22  <b>really</b> 14:3 19:8,8  80:7  <b>realtors</b> 1:18 11:22  <b>REALTY</b> 1:18,19  <b>reason</b> 17:18 49:25  79:20  <b>recall</b> 11:16,18,21  12:1,20 14:1  15:13,14,17 17:7  17:10 18:4 20:1,8  21:24 22:1 32:22  35:12 37:7 44:8  45:3 50:15,19,20  50:23 51:25 52:8  52:13,24 57:14,23  58:21 60:6,19  62:3,6,13 68:6,12  70:20,22 73:22  74:10,15 75:9  78:2 81:16,18,19  81:24 82:3  <b>recalled</b> 52:6  <b>receive</b> 56:18 86:5  <b>received</b> 22:12 33:3  40:15 42:18 71:20  85:12  <b>receiving</b> 50:20  <b>recess</b> 48:5 67:19  <b>recognize</b> 64:14  <b>recollection</b> 15:11  16:4 32:8,10 58:4  58:9,25 68:9  73:16,18 81:9,15  <b>recommendations</b>  86:18  <b>record</b> 5:19 13:14  13:16 16:15,17  19:1,3 20:9,11  25:11 28:19,21,23  36:14,16 40:3,5  45:24 47:13 60:12  60:14 68:18 71:12</p>	<p>79:18  <b>recorded</b> 46:21  47:9,10,14 58:21  71:6,17 72:3,20  <b>recording</b> 47:18  <b>RECROSS</b> 4:2  <b>rectify</b> 46:4  <b>red</b> 61:21 73:6  82:19  <b>REDIRECT</b> 4:2  85:10  <b>refer</b> 68:3  <b>referred</b> 27:14 82:5  82:13  <b>referring</b> 56:21  <b>refresh</b> 15:11  <b>regional</b> 78:18  <b>regular</b> 39:4 74:20  <b>regularly</b> 14:9  30:13 69:14  <b>regulatory</b> 8:20  9:12  <b>related</b> 12:23 18:23  32:4  <b>relates</b> 68:1  <b>relating</b> 22:16,17  74:8  <b>relationship</b> 34:2  35:19,23 36:24  37:2,5  <b>relationships</b> 36:20  <b>relative</b> 88:14,16  <b>releases</b> 34:25  <b>Reliance</b> 25:13  <b>remember</b> 8:23 9:3  13:4,6,10,21 15:7  15:9 16:20 17:3  17:24 18:9,21  19:22 21:1,22,25  28:20 32:24 33:1  34:11,12,19 35:15  36:10,19 44:21  45:6,10 46:15,20  46:24 47:2,4,5,21</p>	<p>47:24,24 48:4,17  49:14,20 50:6  52:12,18 55:16  56:25 57:2 58:1,5  58:6 59:25 61:19  61:22,22 62:12  63:9 66:14 67:2  69:22 71:3 75:12  76:14 77:25 78:6  78:20 82:6,14,19  84:24 86:2,4  <b>remit</b> 38:6  <b>remittances</b> 34:15  <b>remitted</b> 37:19,21  38:4  <b>rep</b> 24:2  <b>rephrase</b> 6:16  <b>report</b> 38:6 46:12  <b>reported</b> 38:4  <b>reporter</b> 2:4 36:8  46:19 70:4 88:4  <b>Reporting</b> 29:2  <b>reports</b> 11:2 38:7  <b>repository</b> 30:20  <b>represent</b> 5:12  59:19 60:17 63:15  67:21,25  <b>representation</b>  53:11,12  <b>representative</b>  29:25 38:21 53:14  <b>representatives</b>  53:16  <b>represented</b> 6:9  48:11  <b>Republic</b> 5:1 6:23  <b>request</b> 29:15 45:9  <b>requested</b> 32:9  <b>require</b> 71:14  <b>required</b> 55:5,5,6  <b>requirement</b> 65:22  71:18  <b>requirements</b>  45:18,21 64:21</p>	<p>65:6,20 71:14  <b>resource</b> 35:5 39:7  <b>response</b> 84:20  <b>responsibilities</b>  8:18 9:24 24:1  41:1  <b>responsibility</b> 9:6  14:17  <b>responsible</b> 9:9  24:5,9,10 65:5,14  <b>result</b> 32:17 35:13  <b>retained</b> 5:21,22  28:16 40:7,8  <b>retention</b> 28:19  <b>retrieve</b> 34:7  <b>return</b> 46:3  <b>reusing</b> 60:17  <b>review</b> 17:16 23:1  36:20 42:10 44:12  51:7 54:6  <b>reviewed</b> 20:13  56:13  <b>reviewing</b> 17:23  <b>RFT</b> 68:15  <b>Richard</b> 1:11,11,13  11:1,6 12:17  44:18  <b>Rick</b> 78:15 86:15  <b>Ridge</b> 51:3 66:12  68:1 71:25 76:20  <b>right</b> 22:20 23:13  31:15 38:19 40:8  49:24 57:23,24  58:13 65:15 66:11  82:22 84:18 85:8  <b>ring</b> 13:13  <b>risk</b> 31:22  <b>Road</b> 3:15 5:3  <b>ROBERT</b> 1:10 3:3  <b>Roland</b> 1:12 11:10  <b>role</b> 38:8  <b>Ron</b> 86:7,9,10,13  86:14  <b>ROTHSCHILD</b></p>
---	--	---	--	--

N. KOCH

Page 10

3:10 rules 6:6 run 10:8 running 83:11 Rutgers 7:25 8:2	68:14 77:5,16 secretary's 41:10 Section 64:20,25 65:6,16,21 sections 65:15 securing 62:21 Securities 1:3 5:12 5:19 10:6 11:15 11:20 12:4 14:7 16:19 20:22 21:21 22:17 26:11,22 28:9,13 32:4,18 35:25 37:11,12 40:12 43:13 44:16 46:14,23 48:11,20 48:22 49:25 50:18 51:16 69:18 76:4 85:13,20 see 10:9 23:13 28:12 32:2 33:7 38:7 39:4 48:12 48:18 49:1,16 50:4 54:25 55:18 59:14 60:23 63:12 63:14,18 66:9,15 66:19,22 69:18,20 71:11,13,25 72:2 77:1,13 79:7 seeing 32:22 58:6 58:21 70:20 77:25 86:22 seeking 18:18 seen 6:18 23:17 32:25 33:8 40:23 48:15 51:4,6 59:20 63:4 66:13 68:2,3 69:7,10 72:18,19 86:19,22 segregate 49:15 segregated 17:17 selling 14:5 send 29:7 30:11 32:6 56:17 57:3 87:5	sending 30:9 85:19 senior 51:3 72:2 86:10 sense 35:22 sent 33:24 50:4 56:24 76:2 sentence 26:19 32:2 separate 24:25 25:6 76:20 September 4:10 33:2 series 19:13 34:25 service 23:2,5 30:22 31:11,18 37:15 39:9 43:9 51:1,24 53:19 54:18,22 55:3,12 55:15,21 56:22 57:11 61:3 67:11 72:8,15,17,20 set 41:25 49:6 74:1 74:2 88:12 settlement 65:8,18 seven 15:6 24:14 27:19 shelf 23:24 short 2:6 3:4 17:21 Shorthand 2:4 show 6:18 22:9 50:10,24 54:15 71:19 sign 24:4 signature 33:10 signs 46:13 similar 58:3 62:14 77:21 simple 77:14 simply 5:13 81:23 sit 81:22 sitting 31:24 situation 66:1 situation-specific 73:2 SKOWRENSKI	1:11 small 8:6 57:7 sold 52:16 72:1 somebody 58:11,12 78:15 Somerville 8:6 somewhat 30:13 sorry 15:24 27:15 31:4 36:13 42:13 44:14 73:18 74:16 78:6 sort 39:10 62:16 81:13 82:16,23 85:15 sound 11:7,9,13 13:2 sounds 62:1 85:7 speak 10:14,19 11:14,19 12:3 20:4 70:24,24 73:9,13 78:9 speaking 12:1,20 71:3 specific 9:21 16:4 30:25 35:1 47:2 56:15 58:24 68:9 specifically 15:20 18:9 36:19 44:8 56:25 68:12 78:6 86:6 specifics 86:2 spend 46:5 split 67:10 spoke 11:3 12:6,10 12:19 18:3 19:23 81:25 86:14,16 spoken 12:15 spot-check 39:3 stack 71:22 staff 24:7,15 30:12 40:1 staff's 39:24 stamp 23:13 24:19 stamped 26:16 33:7	40:19 51:15 54:23 63:13 64:7 66:9 67:23 69:2,19 stand 33:15 standpoint 82:17 stands 51:18,20 Stanley 1:12 12:5 44:5 51:2 66:8 67:22 start 7:3 started 7:12,15 74:11 state 2:4 8:16,21 9:15,20,21 33:17 54:14,15 88:4,20 states 1:1 9:11,12 statutory 39:19 staying 61:20 stenographic 2:1 stenographically 88:11 Stone 2:5 3:3 5:11 stop 6:12 stopped 59:24 60:6 story 7:5 straighten 47:11 straw 11:24 Street 3:7,11 strength 25:21 strike 15:16 subject 26:18 29:1 41:20 subpoena 22:19 Subscribed 87:13 subsequent 52:3,17 subsequently 52:11 subsidiary 25:3 substance 15:13,17 75:13,22 78:21 suffix 62:16 Sullivan 15:8 22:21 29:25 48:8,12,14 73:11 summary 18:19
--	--	--	---	---

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

N. KOCH

Page 11

<b>supervises</b> 26:20 <b>supplied</b> 30:23 <b>supplier</b> 30:22 <b>supply</b> 34:7 57:7 <b>support</b> 8:19 9:10 15:23,25 16:2 <b>suppose</b> 64:2 71:9 73:5 <b>sure</b> 15:14 16:7 17:2 22:3,3 34:14 50:9 56:3,14 57:24 66:18 75:1 75:4,17 76:6 83:24 <b>surface</b> 62:2 <b>surprise</b> 85:6 <b>surprised</b> 82:1 84:22 85:2 <b>suspension</b> 43:23 <b>sustained</b> 37:25 <b>sworn</b> 5:3 87:13 88:6 <b>system</b> 60:4 <b>systems</b> 31:19 57:10 <b>SYSW</b> 67:23	<b>talked</b> 73:19,21 <b>talking</b> 49:8 84:11 <b>tasks</b> 24:16 <b>teaching</b> 33:22 <b>Technically</b> 7:7 <b>telecopy</b> 48:15 <b>tell</b> 6:21 17:7 41:17 51:16 60:19 81:22 82:1 <b>telling</b> 52:18 86:21 <b>ten</b> 26:16 63:11 <b>terminate</b> 35:18 36:23 57:12 <b>terminating</b> 34:2 <b>termination</b> 34:8,9 34:13 35:14,17 36:4,11,17 <b>terminations</b> 24:7 <b>testified</b> 5:4 14:2 30:1,24 51:9 52:1 52:21 73:12 75:18 75:19 77:10 <b>testify</b> 88:7 <b>testimony</b> 81:4,16 82:23 84:25 88:10 <b>Thank</b> 5:10 43:10 85:9 86:25 <b>theirs</b> 66:20 <b>thing</b> 37:22 39:11 52:21 73:21 76:10 85:8,11 <b>things</b> 14:9 27:16 30:11,25 31:3 37:16 47:6 53:18 56:12 73:7 79:19 <b>think</b> 8:16 9:16 13:23 15:8 18:6 19:25 25:12,14 27:13 31:8 32:5 32:20 36:10,25 47:16 56:4 64:1,3 64:4 67:15 68:5 73:11 74:6 75:5 75:10,20 76:7,13	76:15 80:2,9 81:6 81:9 82:23 83:23 84:17 86:6,20,20 86:23,24 <b>third</b> 24:20 64:18 68:13 <b>Thomas</b> 1:12 11:12 <b>thought</b> 5:23 26:12 53:4 62:9 74:7 85:12,22 <b>thousands</b> 16:11 <b>threatening</b> 85:14 85:14 <b>three</b> 8:12 62:21,22 75:17 76:18 77:13 84:1 <b>time</b> 6:6,9,11 7:9 14:3,18 17:2,5,6,9 19:7,14 20:24 23:22 25:20 26:13 32:8 34:19,21 36:9,21 38:24 41:25 46:5,22 47:19 48:11 49:15 50:16 60:9 61:24 73:4,25 82:3,15 83:12 84:6 85:4 86:21 88:11 <b>timely</b> 45:24 46:3 <b>times</b> 6:3 <b>timing</b> 8:24 9:4 61:23 <b>title</b> 1:15,15,16,17 3:9,12,13,17 5:2 6:23 7:1,8,12,15 8:13 9:1 13:23 14:11 20:5 24:21 24:24 25:15,16,17 25:23 30:2 31:12 31:20 33:6,16,20 33:25 34:3,10,18 34:20,24 35:1,6 35:14,20 36:4,18 37:8,13,14,24	38:16 39:6,8 40:7 44:22 47:10,12 48:13 49:3 50:3,8 50:16,17,21 51:10 52:7 53:1,3,5,7,7 53:10,24 54:9,19 54:24 55:21 56:17 57:13,21 58:20 59:8,11,12,19,21 61:9,10 62:8,14 63:5,15 64:10,13 65:3,25 66:8,16 66:24 67:7 68:11 69:3,10,21 71:13 74:25 76:19,21 77:6 79:10,25 80:3 82:17 83:7 83:11,12 <b>titled</b> 40:19 <b>today</b> 5:10 23:17 40:24 51:5 66:13 68:4 69:8 73:9 81:22 <b>today's</b> 81:3 87:3 <b>told</b> 20:2 44:24 52:9,13 74:7 81:14 <b>top</b> 40:20 59:9 79:7 83:23 <b>tortured</b> 7:5 <b>totals</b> 67:5 <b>track</b> 30:2 <b>Trans</b> 7:8,14,15 8:13,15 26:4 60:8 <b>transaction</b> 14:6,7 23:4 48:24 51:2 52:2,3 61:4 66:10 68:2 <b>transactions</b> 18:2 19:13,18 43:24 47:19 58:2 65:9 75:24 81:12 82:4 82:12,20 83:7,10 84:5	<b>transcript</b> 2:1 88:10 <b>transcripts</b> 22:22 81:3,7,17 <b>transfer</b> 16:12 51:17 58:8 <b>transferred</b> 20:15 30:5 <b>transfers</b> 58:4 <b>trigger</b> 72:7,14 <b>true</b> 88:10 <b>trust</b> 67:22 <b>truth</b> 88:7,7,8 <b>try</b> 17:25 29:19,19 47:11 <b>trying</b> 18:2 21:22 27:24 30:1 <b>turn</b> 26:15 <b>tweaked</b> 41:10 <b>two</b> 11:22 13:11 23:2 44:4,16 48:19 53:20 67:23 67:24 76:25 77:23 79:20 80:8 81:6 84:1 <b>type</b> 45:19 56:13 63:21 <b>types</b> 81:19 85:5 <b>typically</b> 21:18 65:7,17
<b>T</b>				
<b>T</b> 4:7 <b>take</b> 6:7,8 18:7 23:10,16 33:4 40:16 42:9 43:16 48:7 49:13 50:11 57:19 60:15 63:10 64:5 66:6 67:18 69:4 76:25 79:5 <b>taken</b> 2:3 46:6 88:11 <b>takes</b> 13:15 16:16 19:2 20:10 22:5 25:10 28:22 33:21 36:15 40:4 48:5 60:13 67:19 79:17 <b>talk</b> 38:22 73:15 78:12				
<b>U</b>				
				<b>ultimate</b> 24:3 <b>unannounced</b> 50:10 <b>uncovered</b> 5:18 <b>understand</b> 5:15,21 6:16 18:2 37:10 <b>understood</b> 6:14 <b>underwriter</b> 25:18 25:19 <b>underwriting</b> 8:19 9:6,10,17 10:4 14:17,23 15:1,19 15:22,25 16:2

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

N. KOCH

Page 12

34:25 39:4 66:20 66:23 73:19,24 <b>unhappy</b> 61:16 <b>unheard</b> 63:2 <b>UNITED</b> 1:1 <b>University</b> 8:2 <b>updated</b> 41:15,19 <b>upfront</b> 39:22 <b>upper</b> 66:11 86:11 <b>use</b> 24:21 53:22 54:10 60:3 <b>usual</b> 47:12 87:6 <b>usually</b> 32:11 44:2 65:18 79:2	51:16 58:15 69:18 75:19 76:4 85:13 85:20 <b>want</b> 6:6,11 35:18 39:10 42:9 45:22 55:25 73:8 80:8,9 85:11 <b>warning</b> 46:13 <b>wasn't</b> 27:22 63:2 72:19 <b>Watkins</b> 48:10 <b>way</b> 19:6 70:5 71:15 81:14 <b>wears</b> 6:14 <b>week</b> 63:12 <b>WEICHERT</b> 1:18 <b>welcome</b> 87:1 <b>Welsh</b> 8:5 <b>went</b> 9:15,20 17:12 20:12 41:14 43:12 48:18 49:3,12 50:16 61:21 69:11 82:7,16 86:7 <b>WERBEL</b> 3:14 <b>weren't</b> 28:8 84:9 <b>we're</b> 5:21 14:4 21:16 60:16 65:23 68:23 82:21 <b>we've</b> 5:13 11:24 23:10 33:5 47:6 53:18 <b>whichever</b> 21:8 37:24 <b>wife</b> 77:15 <b>William</b> 1:10 10:12 13:12 60:21 <b>Wilson</b> 78:15,22 86:16 <b>wire</b> 51:17 <b>witness</b> 4:2 5:14 37:25 48:9 <b>wondering</b> 37:1 <b>word</b> 65:15 78:20 <b>work</b> 6:22 8:3,13	8:20 9:11,12 25:25 46:6 <b>worked</b> 23:20 <b>working</b> 7:3,14 8:25 <b>works</b> 17:22 <b>worried</b> 85:6 <b>wouldn't</b> 80:2 <b>wrap</b> 71:22 <b>wrapped</b> 19:9 <b>writing</b> 73:6 <b>written</b> 18:19 72:22 <b>WSI</b> 69:20 <b>WSWT</b> 51:15 54:23	<b>000505</b> 51:15 <b>07078</b> 3:4 <b>07102-4056</b> 3:8 <b>08818</b> 3:16  <b>1</b> 1 23:11 64:20 65:6 65:21 1/97 23:21 26:11 <b>10:10</b> 2:7 <b>100</b> 3:7 <b>100,000</b> 76:14 <b>1017-1019</b> 77:9 79:9 11 2:7 5:20 64:6,8 11/25/98 40:14 <b>1150</b> 66:10,10 <b>1151</b> 66:10 <b>1188</b> 64:7,15 <b>119</b> 5:2 <b>1190</b> 64:18 <b>1191</b> 64:19 <b>1192</b> 64:7,25 12 64:8 88:22 <b>1202</b> 63:14 <b>1204</b> 63:14 <b>1234</b> 69:2 <b>13</b> 66:5,7 <b>138</b> 51:3 66:12 68:1 71:25 76:20 <b>15</b> 67:21 <b>150</b> 2:6 3:4 <b>16</b> 28:6,7 60:25 69:2 77:4,8,14,17 79:12 17 69:17 <b>17th</b> 50:2 <b>17767</b> 77:4 79:21 <b>17767(A)</b> 77:7 79:22 <b>18724</b> 51:18 61:8 <b>18724(A)</b> 61:12 <b>19103-3222</b> 3:11 <b>1984</b> 7:22 8:3 <b>1987</b> 7:13 8:4	<b>1989</b> 13:23 <b>1990</b> 7:10 <b>1994</b> 25:12 <b>1996</b> 14:3,11,21 15:6 24:14 37:6 51:2 55:19,20 69:19 74:8 77:4,8 77:14,17 79:7,12 79:14 <b>1997</b> 26:12 47:9 48:12 63:11 <b>1998</b> 4:11 40:20 41:2 43:11 <b>1999</b> 4:12 42:18,21 44:4  <b>2</b> 2 64:25 65:16 <b>2:16</b> 87:7 <b>20</b> 27:12,14,15,17 27:19 <b>2000</b> 3:11 4:10 33:3 <b>2009</b> 7:2 9:19 31:6 31:9 74:4 <b>2010</b> 2:7 87:14 88:22 <b>2013</b> 88:21 <b>22</b> 4:9 <b>2386</b> 33:7 <b>23869</b> 23:14 24:20 <b>23874</b> 29:1 <b>23875</b> 31:24 <b>23882</b> 26:16 <b>23945</b> 28:6 <b>23976</b> 27:18 <b>23977</b> 27:12 <b>24003</b> 23:14 <b>24180</b> 40:19 45:13 <b>24217</b> 40:19 <b>24222</b> 43:2 <b>25</b> 4:11 40:20 43:11 55:20 79:14 <b>25th</b> 79:7 <b>28</b> 48:12 50:4 <b>28,000</b> 79:9
<b>V</b> <b>vague</b> 58:4,9 <b>Valley</b> 25:16 <b>various</b> 57:22 63:1 <b>VECCHIO</b> 1:18 <b>venture</b> 58:22 <b>Verification</b> 31:25 <b>versus</b> 71:24 <b>vice</b> 86:10 <b>views</b> 86:18 <b>violation</b> 70:8 71:7 <b>Virginia</b> 9:7 <b>visit</b> 50:22 <b>void</b> 68:19 <b>voided</b> 68:17,19 <b>volumes</b> 81:8 <b>vs</b> 1:5	<b>W</b> <b>Walsh</b> 1:3 5:12,18 5:19 10:6,13,25 11:15,20 12:4,16 14:7 16:19 20:22 21:21 22:17 26:11 26:22 28:9,12 32:4,18 35:25 37:10,12 40:12 43:13 44:9,16 46:14,23 48:11,20 48:22 49:25 50:18	<b>X</b> <b>X</b> 4:7 <b>XI00970</b> 88:21  <b>Y</b> <b>Y</b> 5:1 <b>Yacker</b> 1:12 12:5,6 37:12 44:6 45:4,7 51:2 65:10 66:8 67:6 68:7 69:23 70:24 <b>Yacker's</b> 67:22 <b>yeah</b> 57:17 73:3 76:17 <b>year</b> 15:8 <b>years</b> 8:23 21:1 59:25,25 84:11 <b>York</b> 1:16,17 3:12 3:13 9:7  <b>Z</b> <b>Z</b> 74:2  <b>\$</b> <b>\$1,113</b> 67:6 <b>\$1,500</b> 60:24 <b>\$25</b> 67:11  <b>0</b>		

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400



N. KOCH

Page 13

29 4:10 33:2	8 57:20 60:23			
<u>3</u>	8/1/94 54:25			
3 3:15 40:17 43:11	80s 60:10			
45:12 48:7 77:2	81 4:4			
77:11 88:21	84 4:5			
30 51:1 55:19 71:15	85 4:4			
71:16	<u>9</u>			
30(b)6 48:9 49:23	9 4:12 42:17,21			
50:25 54:17	44:4 61:10			
300 47:10,18	90s 83:14			
3012 3:15	92 71:25			
31 60:25 69:19	96 29:4 31:10 38:18			
33 4:10	46:22 60:25,25			
35 71:25	84:12			
<u>4</u>	97 14:3,12,22 29:5			
4 42:20 44:3 77:6	31:10 37:6 38:18			
77:16 79:11	46:22 50:2 74:8			
40 4:11	76:16			
42 4:12	97-cv-3496 1:2			
44744 69:20	98 9:16,17			
<u>5</u>	99 42:14			
5 4:4 71:23				
505 54:23				
<u>6</u>				
6A 50:25 54:21				
55:13,18 56:7				
61:3 72:16,21				
60 58:16 63:19				
604 54:25				
<u>7</u>				
7 54:18 55:4,8,20				
63:11 79:6				
707.50 68:17				
7083 67:24 68:14				
7085 67:23				
7086 67:24				
71 4:12				
746 69:20				
<u>8</u>				

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400